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# ***Daily Report***

## **East Asia**

FBIS-EAS-93-235  
Thursday  
9 December 1993

# Daily Report

## East Asia

FBIS-EAS-93-235

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## Japan

### Meaning of U.S. Trade Officials' Trip Studied

OW0912134293 Tokyo KYODO in English 1139 GMT  
9 Dec 93

[Text] Tokyo, Dec. 9 KYODO—Top U.S. trade officials have been in Japan since last week for talks with Japanese Government and business leaders, apparently aiming to scrutinize the policy-making process under Prime Minister Morihiro Hosokawa.

Government sources said the visits may signal Washington is shifting its focus again to bilateral issues from multilateral topics such as the North American Free Trade Agreement and the Uruguay Round of world trade talks which look to be heading to a successful conclusion.

The visiting U.S. officials include Charlene Barshevsky, deputy U.S. Trade Representative, and Bowman Cutter, deputy assistant to the President for economic policy.

According to the Foreign Ministry, the officials are not planning any official bilateral meetings but are meeting privately with aides to Hosokawa and bureaucrats at key government ministries such as those of finance, foreign affairs, and international trade and industry.

They are also slated to hold talks with business leaders including Gaishi Hiraiwa, chairman of the Federation of Economic Organizations.

### Poll: Majority Supports Partial Rice Opening

OW0912082893 Tokyo NHK General Television  
Network in Japanese 1000 GMT 8 Dec 93

[Announcer-read report over video; from the "NHK News 7" program]

[Text] According to an opinion poll on the opening of the rice market conducted by NHK, 65 percent of the respondents believed that the rice market should be opened to a certain extent with certain conditions attached. Together with those who said the market should be liberalized completely, around three-fourths of the pollees saw market liberalization to be inevitable.

NHK conducted personal interviews with 1,800 men and women over 20 years of age all over the country on 4 and 5 December. Valid answers were obtained from 1,183 pollees.

According to the poll, with regard to the issue of liberalizing the rice market, which Japan is being pressured to do in the Uruguay Round negotiations, 65 percent said liberalization to a certain extent with certain conditions attached is necessary, while another 8 percent replied that complete liberalization is needed. Combining the two, almost three out of four respondents were of the opinion that a certain degree of market liberalization is inevitable. On the other hand, 21 percent opposed any form of liberalization.

Among the pollees who derive income from agricultural production, 47 percent favored complete or conditional opening of the rice market, while only 43 percent did not favor any form of liberalization.

With regard to reasons cited in support of liberalization, around 40 percent said that since Japan's survival depends on trade, it should import rice to maintain the free trade system, while another 40 percent said that competition with imported rice will improve the Japanese agricultural structure. On the other hand, 62 percent of the opponents to liberalization claimed that Japan needs to be self-sufficient in its basic food stuff.

Regarding measures to help farmers if liberalization occurs, 29 percent favored government efforts to strengthen farm management under free competition by reducing government protection, while 27 percent of all pollees wanted the government to compensate for income loss suffered in rice farming, compared to the 39 percent favoring income compensation among those deriving income from agricultural production.

On the issue of the food control system, through which the government controls rice, from production to distribution, more than 40 percent thought that while reforms are necessary, the overall framework should be retained, while 36 percent said the system should be scrapped to give way to free production and distribution. This means that nearly 80 percent saw the need to reform the food control system.

### Government Urged To Pass on Rice Import Gains

OW0812110093 Tokyo KYODO in English 0740 GMT  
8 Dec 93

[Text] Tokyo, Dec. 8 KYODO—A top Japanese business leader urged the government Wednesday [8 December] to pass on some of the gains from low-priced rice imports to consumers if it partially opens the rice market under a proposal by the General Agreement on Tariffs and Trade (GATT).

Takeshi Nagano, president of the Federation of Employers Associations (Nikkeiren), told reporters the government should not keep all of such gains in its food control account.

The proposal, made by Germain Denis, chairman of the GATT market-access negotiating group, calls on Japan to allow imports "minimum access" of from 4 to 8 percent of domestic rice consumption in exchange for a six-year grace period on accepting tariffication of rice imports.

A private survey showed the proposal would produce such gains of 178 billion yen for Japan in 1995.



**Watanabe on Tariffs To 'Block' Rice Imports***OW0912092193 Tokyo KYODO in English 0802 GMT  
9 Dec 93*

[Text] Tokyo, Dec. 9 KYODO—Japan will use imported rice for processed foods and stockpiling only after partially opening its rice market, a senior official of the ruling coalition member Shinseito (Japan Renewal Party) said Thursday [9 December].

Kozo Watanabe, speaking on a TV program to be aired later, said domestically grown rice will continue to be on the table, hinting that imports will not go on sale to the general public.

Watanabe, who served as International Trade and Industry Minister under former Prime Minister Kiichi Miyazawa, said Japan could block pressure from abroad to replace its de facto ban on rice imports with tariffs.

The coalition government of Prime Minister Morihiro Hosokawa is expected to announce soon Japan's acceptance of a proposal by the General Agreement on Tariffs and Trade for limited access of foreign rice to Japan's market.

Japan would have a six-year grace period before converting the rice ban into tariffs, and during that period would allow rice imports equivalent to 4 to 8 percent of domestic consumption.

Shinseito, a breakaway group from the Liberal Democratic Party, is the second largest of the seven parties in the ruling coalition.

**Zenchu Chief Urges Against Rice Market Opening***OW0912045693 Tokyo KYODO in English 0444 GMT  
9 Dec 93*

[Text] Tokyo, Dec. 9 KYODO—The head of the Central Union of Agricultural Cooperatives (Zenchu) called on Prime Minister Morihiro Hosokawa on Thursday [9 December] not to accept the proposed partial opening of Japan's rice market, officials said.

Zenchu Chairman Yoshiharu Sato visited Hosokawa's official residence to deliver the message that "to accept the minimum access formula is nothing but an approval of the proposed tariffication without exception and the liberalization of rice imports." Under the minimum access plan, Japan is to annually import rice with a volume equivalent to 4 to 8 percent of domestic consumption during a six-year grace period on tariffication.

In response, Hosokawa said his cabinet will consider the union's claim this week, saying, "the rice import issue needs careful discussion."

Sato told reporters the government would violate its election campaign pledge if it accepted the minimum access plan, adding that the Diet should be dissolved to enable monitoring of public opinion on the matter.

**Prefectural Assemblies Oppose Rice Imports***OW0912140093 Tokyo KYODO in English 1204 GMT  
9 Dec 93*

[Text] Tokyo, Dec. 9 KYODO—The number of prefectural assemblies expressing opposition to a partial opening of Japan's rice market has reached 33, about 70 percent of the nation's 47 prefectures, a KYODO NEWS SERVICE survey showed Thursday [9 December].

Since Prime Minister Morihiro Hosokawa announced on Tuesday the government's intention to open the rice market, 25 prefectures have adopted resolutions expressing opposition, the survey said.

The prefectures are mostly located in regions whose economies are largely dependent on agriculture, unlike industrially advanced areas such as Tokyo and Osaka, the survey said.

Most resolutions were adopted unanimously with ruling Social Democratic Party (SDP) members joining with opposition Liberal Democratic Party and Japanese Communist Party members, it said.

The government is considering accepting a proposal in the Uruguay Round of global trade talks under the General Agreement on Tariffs and Trade (GATT) calling for Japan to give "minimum access" to rice imports in return for a six-year moratorium on tariffication.

From Friday, similar resolutions are expected to be submitted to assemblies in other prefectures, including Hiroshima and Okinawa in western Japan, so the final number opposing rice imports could reach 40, political sources said.

In addition to rice, many prefectures are vowing to block imports of livestock products such as dairy goods, the survey said.

**Decision on GATT's Rice Proposal Postponed***OW0912123193 Tokyo KYODO in English 1222 GMT  
9 Dec 93*

[Text] Tokyo, Dec. 9 KYODO—The government of Prime Minister Morihiro Hosokawa postponed a decision on whether to accept a GATT proposal for the partial opening of its rice market until Saturday [11 December] at the earliest, officials said Thursday.

The officials said the postponement was agreed to at a summit of governing coalition parties Thursday night.

The proposal by the Geneva-based General Agreement on Tariffs and Trade suggested that countries seeking special treatment for certain products should be ready to make concessions on other points in return.



### **Comment Declined on ROK Rice Market Opening**

OW0912035993 Tokyo KYODO in English 0347 GMT  
9 Dec 93

[Text] Tokyo, Dec. 9 KYODO—The Japanese Government's top spokesman declined to comment Thursday [9 December] on an announcement by South Korea opening its rice market to imports. Both countries have long resisted pressure to open their markets for the staple food as part of a global trade agreement.

Japan is expected to announce its decision Friday, days before the target date for completion of the Uruguay Round trade talks next Wednesday.

Chief Cabinet Secretary Masayoshi Takemura, asked by reporters about the South Korean move, only said he had heard the announcement by President Kim Yong-sam. Takemura declined further comment on Kim's decision, which broke an election pledge, but told a news conference that Prime Minister Morihiro Hosokawa will tell the nation his decision when the time is ripe.

On Friday's expected announcement by Hosokawa, Takemura said the date is not specifically decided yet, but it will be by the end of this week.

The government has already obtained a draft of a compromise plan in the Uruguay Round that would require Japan to import rice equivalent to 4 to 8 percent of domestic consumption for a six-year period beginning 1995, he said.

It will reveal the content of the proposal as soon as it gets approval from the General Agreement on Tariffs and Trade (GATT), the sponsor of the Uruguay Round, he said.

Hosokawa, speaking at a House of Councillors Budget Committee session on Thursday, made clear he will make a final judgment on the issue "in a day or so."

### **Farmers Hold 'Last-Ditch Effort' Rice Protest**

OW0912074493 Tokyo KYODO in English 0703 GMT  
9 Dec 93

[Text] Tokyo, Dec. 9 KYODO—Thousands of angry farmers descended on Tokyo on Thursday [9 December] in a last-ditch effort to stop the government from reversing a longstanding ban on rice imports—a decision thought to be only days away. Accusing the government of double-crossing them, an estimated 5,000 farmers from across Japan crushed into an outdoor amphitheater where politicians from all major parties pledged support for the politically powerful group.

Farmers, traditionally strong supporters of the Liberal Democratic Party, now the largest opposition party, cheered speakers from the Japanese Communist Party, the Social Democratic Party (SDP) and the LDP, which dispatched their top officials to address the gathering.

The leader of the largest force in the coalition government, SDP Chairman Tomiichi Murayama, vowed to continue protesting a scheme by Prime Minister Morihiro Hosokawa's administration that would partially open the rice market, a move Murayama said would lead to the annihilation of Japanese agriculture. But they jeered loudly other influential members of the coalition government.

"Go home, go home," the assembly shouted when Masahiro Koga of coalition member Shinseito (Japan Renewal Party) took the podium, pledging to protect farmers as the backbone of the nation.

Farmers said they believe Ichiro Ozawa, co-leader of Shinseito, a breakaway group of former LDP lawmakers, is the behind-the-scenes power broker who helped navigate the government toward accepting a proposal by the General Agreement on Tariffs and Trade (GATT) on opening the rice market.

GATT is calling for Japan to allow imports of 4 to 8 percent of domestic rice consumption in exchange for a six-year grace period for tariffication.

Farmers also hooted at Kunita Chiba of the Buddhist-backed Komeito [Clean Government Party], which is closely allied to Shinseito, and Akio Nakajima of Hosokawa's Japan New Party.

Shoichi Ide of coalition member Sakigake (Harbinger), who said that Japan had to accept the GATT proposal but that the government would strive to find other policies to support farmers, received a mixed reaction.

In interviews, many of the farmers seemed to regard opening of the rice market as part of an international trend that no Japanese political leader could have blocked. But they expressed bitterness over what they said was the absence of honest debate.

"We probably can't stop rice imports now, this would have happened no matter who was the top leader," said Shigetoshi Hotta, a 31-year-old farmer from Yamanashi Prefecture in central Japan.

Shinichiro Takahashi, 45, an apple and rice farmer from Yamagata Prefecture in northern Japan, accused all the political parties of lying.

The Japanese proverb "lies are expedient" is acceptable in daily life for ordinary people, "but politicians shouldn't follow this," he said. "There is no one to represent us now, because all political parties are looking to urban voters," he said.

Meanwhile, some 120 rice farmers stormed into the Diet building premises around 1:30 P.M. and staged a sit-in in front of the building. The farmers were from the Kumamoto Prefecture branch of the Central Union of Agricultural Cooperatives—Japan's largest farm lobby—which organized the demonstration of about 5,000 farmers.



The angry farmers continued to shout in chorus, "We oppose the liberalization of Japan's rice market" until Diet security guards finally succeeded in persuading them to leave about 15 minutes later.

Around 4 P.M., Niigata Gov. Ikuo Hirayama and 10 legislators from the Niigata Prefectural Assembly paid a visit to Prime Minister Morihiro Hosokawa's official residence to register their protest at the planned acceptance of the GATT-proposed minimum access plan. "We will never tolerate the opening of Japan's rice market," read their statement, handed over to Deputy Cabinet Secretary Yukio Hatoyama.

#### **Hata on Rice Issue; LDP on Hosokawa Loan**

*OW0912131793 Tokyo KYODO in English 1221 GMT  
9 Dec 93*

[Text] Tokyo, Dec. 9 KYODO—Agriculture, Forestry and Fisheries Minister Eijiro Hata pledged on Thursday [9 December] Japan will not introduce tariffication on rice imports after the end of the six-year moratorium on the measure beginning 1995. He made the pledge in his reply to questions from Tatsuo Yoshida, a member of the Social Democratic Party (SDP), the largest force in the seven-party coalition government, at the House of Councillors Budget Committee. The SDP has opposed the opening of rice imports.

"In seven years, Japan should not introduce tariffication without exception," Hata said.

He said Japanese negotiators have not compromised on the introduction of tariffs on rice imports in a series of negotiations with GATT on the seven-year Uruguay Round of world trade talks which aim to secure free world trade.

On Wednesday, Germain Denis, chairman of the Market-Access Negotiating Group of the General Agreement on Tariffs and Trade (GATT), officially presented a proposal on farm trade including the partial opening of Japan's rice market, sources close to GATT said.

The 25-page proposal was based on a formula announced in December 1991 by then GATT Director General Arthur Dunkel calling for tariffication without exception.

Chief Cabinet Secretary Masayoshi Takemura told reporters earlier in the day that Denis is planning to propose endorsing a six-year grace period so long as Japan frees 4 to 8 percent of its about 10 million tons of domestic rice consumption during the period.

The proposal also said Japan may continue comprehensive tariffication on currently banned commercial imports of rice if the country endorses further concessions after the end of the grace period.

Yoshida demanded to Hata that Japan should renegotiate the farm issue with GATT, saying, "You have no alternative but to say 'no' (to GATT)."

Foreign Minister Tsutomu Hata said Denis has presented Japan with the proposal on the minimum access formula, which is the utmost the country can concede.

Hata told Yoshida that the proposal by Denis was a "big" step forward toward bringing the GATT free trade talks to a successful conclusion by the December 15 deadline.

Prime Minister Morihiro Hosokawa said the government is likely to make a final decision "in a few days" on whether to accept a GATT proposal to partially open Japan's rice market.

In another development, Minao Hattori, a member of the opposition Liberal Democratic Party (LDP), demanded that a former official secretary of the prime minister be brought to the Diet to testify under oath on Hosokawa's 100 million yen debt repayment to the Kyoto-based scandal-ridden truck delivery firm Sagawa Kyubin Co.

Hattori made the demand after Hosokawa told the Budget Committee that Masatoshi Miyama was responsible for dealing with Sagawa Kyubin on the repayment of the debt to the firm.

Kichio Inoue, chairman of the Budget Committee, said the committee's board of directors will confer on whether Miyama should testify on the matter.

The Budget Committee was temporarily adjourned because of the prime minister's failure to give the name of the secretary, claiming he had to ask the secretary to endorse the disclosure of his name.

Hosokawa told a weekly magazine in May he borrowed 100 million yen in September 1982 from Tokyo Sagawa Kyubin Co., now incorporated into Sagawa Kyubin Co., in order to buy a condominium in central Tokyo and repair his home in Kumamoto Prefecture in southern Japan.

The prime minister said he repaid all the money to the firm in January 1991.

#### **Kubo: SDP Will Not Quit Coalition Over Rice**

*OW0912061893 Tokyo KYODO in English 0611 GMT  
9 Dec 93*

[Text] Tokyo, Dec. 9 KYODO—The Social Democratic Party (SDP), the largest among the seven ruling parties, vowed Thursday [9 December] not to quit the coalition despite disagreement with the government's likely decision to partially open Japan's rice market, party officials said. SDP Secretary General Wataru Kubo made the remark at a meeting of the party's House of Councillors legislators, the officials said.

Kubo told the session that if the SDP quits the coalition, the government will be forced to resign en masse or dissolve the House of Representatives, opening the way for the Liberal Democratic Party to regain power.



The LDP was in power for nearly four decades before being unseated in early August by the coalition led by Prime Minister Morihiro Hosokawa.

Kubo was quoted as saying, "we would like to make a judgment taking the entire political situation into account."

Hosokawa has indicated that the government would accept a proposal by the General Agreement on Tariffs and Trade (GATT) to allow "minimum access" to rice imports.

Under the GATT proposal, Japan would, instead of replacing the de facto blanket ban on rice imports with tariffs, import 4 to 8 percent of its some 10 million tons of annual rice consumption during a six-year grace period from 1995.

The coalition government is expected to formally announce its acceptance of the proposal later this week or early next week, government sources said.

The SDP, however, is opposed to the proposal, saying the partial opening contravenes three past Diet resolutions that called for Japan to maintain self-sufficiency of the staple. The party also argues it runs counter [to] the coalition's accord in July expressing opposition to the "tariffication without exceptions" scheme.

SDP Chairman Tomiichi Murayama has asked Hosokawa to handle the matter cautiously.

Japan's opposition to the opening of the rice market is regarded as one of major stumbling blocks to a successful conclusion of the Uruguay Round of global trade talks under the auspices of the 116-nation GATT. The Uruguay Round, which began in September 1986, is scheduled to be concluded next Wednesday.

In an extraordinary session later Thursday, the party's leadership body, the Central Executive Committee, reaffirmed its opposition to the GATT proposal on "minimum access" to rice imports, party officials said.

But the committee recognized the party's responsibility as the No. 1 party in the ruling coalition and postponed a final decision on whether to formally oppose the proposal, the officials said.

#### **Accord Reached With Russia on Nuclear Facilities**

*OW0912132893 Tokyo KYODO in English 1142 GMT 9 Dec 93*

[Text] Tokyo, Dec. 9 KYODO—Japan and Russia agreed Thursday [9 December] on the need to establish land-based nuclear waste facilities to handle Russia's nuclear waste.

The agreement was reached in a meeting between Akira Hayashi, director general for arms control and scientific affairs, and Dr. N.P. Laverov, vice president of the

Russian Academy of Sciences, and N.N. Egorov, a deputy minister in the Atomic Energy Ministry.

The Russian Navy sparked an international protest earlier this fall when it dumped radioactive waste into the Sea of Japan.

The two sides agreed Thursday that it was necessary to establish land-based storage and disposal sites and discuss later the details of the facilities, such as their content and cost, in working-level meetings and how Japan might cooperate.

Nuclear waste management authorities from nuclear power plants in Russia are scheduled to arrive in Japan on December 20 for an inspection tour.

The Russian officials also met with representatives from the Foreign Ministry, Ministry of International Trade and Industry, and the Science and Technology Agency.

U.S. firms have offered a plan to establish a radioactive waste treatment facility and Japan has been asked to cooperate financially.

It was reported Thursday that there has been no information provided on the volume or quality of waste as requested by Japan.

#### **Makita Establishes Tool Subsidiary in China**

*OW0912084693 Tokyo KYODO in English 0739 GMT 9 Dec 93*

[Text] Tokyo, Dec. 9 KYODO—Japan's top electric tool maker Makita Corp. said Thursday [9 December] it has launched a wholly owned electric tool making subsidiary in Jiangsu Province, China. The company, based in Anjo, Aichi Prefecture, said the new firm, Makita (China) Co. capitalized at 12.5 million U.S. dollars, is designed to bolster its production and sales operations in China.

The new company, based in Kunshan, about 50 kilometers west of Shanghai, plans to start operations in June 1995. Investment in the initial phase of construction is estimated at 10 million dollars, it said.

It plans to produce about 250,000 electric tools in the initial year, about half of which will be exported to Southeast Asian countries and the remainder will be sold in China, the company said. The company said it plans to export products to Japan, the United States and Europe in the future.

#### **Ministry Announces Recognition of Andorra**

*OW0712010993 Tokyo KYODO in English 0050 GMT 7 Dec 93*

[Text] Tokyo, Dec. 7 KYODO—Japan on Tuesday [7 December] recognized Andorra, a newly emerged tiny mountain nation wedged in the Pyrenees separating France and Spain, Foreign Ministry officials said. The



government approved the recognition in a regular cabinet meeting, the officials said.

Andorra is the 186th nation recognized by Japan.

In May, Andorra enacted a Constitution which ended its 700-year-old status as a "co-principality" under the suzerainty of the president of France and the Spanish bishop of Urgel.

The 453-square-kilometer nation, with a population of some 60,000, signed a good-neighbor treaty with France and Spain in June and was approved as a sovereign state.

In July, the United Nations unanimously approved Andorra's admission to the world body.

#### **Sources: Tobishima Donated to Ozawa, Watanabe**

*OW0912082093 Tokyo KYODO in English 0652 GMT 9 Dec 93*

[Text] Tokyo, Dec. 9 KYODO—Scandal-tainted major contractor Tobishima Corp. gave 10 million yen each year for several years to Ichiro Ozawa, co-leader of the Shinseito [Japan Renewal Party] Party, and former Foreign Minister Michio Watanabe, sources said Thursday [9 December].

Shinseito is the second-largest party in the ruling coalition and Ozawa, though having no cabinet post, is said to play a powerful behind-the-scenes role.

Ozawa and Watanabe each received 5 million yen twice a year—during the summer and year-end gift-giving seasons—from the general contractor for the past several years, the sources said.

The sources said Watanabe also received 10 million yen a year from Kajima Corp.—another contractor involved in alleged bribery scandals—between 1990 and late 1992.

Tobishima's former honorary chairman, Sukemasa Uera, who has been charged with bribing then Ibaraki Prefecture Gov. Fujio Takeuchi in 1991 to get public works contracts, personally handed over the donations to Ozawa and Watanabe, the sources said.

The money from Kajima to Watanabe was handed over by the firm's then vice president, Shinji Kiyoyama, 67, who has also been charged with bribing the former Ibaraki Governor late last year, the sources said.

The political funds control law bars politicians from accepting more than 1.5 million yen in political donations annually from any single individual or organization.

Officials of Ozawa's office denied there was any political contribution from Tobishima.

Officials at Watanabe's office said they are examining the allegation that he received money from Tobishima but said there was no contribution from Kajima.

In early November, Ozawa said he received 10 million yen from Kajima twice a year for the past few years, but insisted that handling of the donations was within the law.

Kajima has also reportedly provided shady donations to fallen political kingpin Shin Kanemaru, former Prime Minister Noboru Takeshita, former Prime Minister Yasuhiro Nakasone, and former Construction Minister Kishiro Nakamura. Tobishima and Kajima are among the country's leading contractors.

Since late June, some 30 people, including four local government chiefs and several executives of leading contractors, have been arrested on suspicion of bribery.

#### **Hosokawa Asked About Loan From Sagawa Kyubin**

*OW0912140393 Tokyo NHK General Television Network in Japanese 1022 GMT 9 Dec 93*

[Announcer-read report over video; from the "NHK News 7" program]

[Text] The House of Councillors Budget Committee today began a debate on a supplementary budget bill. During the debate, the opposition Liberal Democratic Party [LDP] questioned Prime Minister Morihiro Hosokawa about his loan from the Sagawa Kyubin parcel delivery group. The LDP demanded that a former secretary to Hosokawa be summoned to the Diet as a sworn witness to clarify how Hosokawa paid back the loan.

In the afternoon today, Minao Hattori, an LDP member, questioned about Hosokawa's loan totaling 100 million yen from Sagawa Kyubin group. He noted that although the prime minister claimed that he paid back the money from 1983 to 1991, he should clarify who repaid the money and how. In reply, Hosokawa said he believed a member of his staff in charge of his assets paid the money back in several installments. He said the staff member no longer worked for him and that he could not release his name before obtaining his consent because it might affect his privacy.

Hattori refused to accept his reply and the debate came to a halt for sometime. When it was resumed, Hosokawa said he remembered Masatoshi Miyama, his official secretary when he was a member of the upper house, paid all the money back. Hattori demanded that Miyama be summoned to the Diet as a sworn witness to substantiate Hosokawa's claim. It was agreed that executive members of the budget committee would discuss the matter.

#### **Ex-Company Chief Gets Jail Term in Scandal**

*OW0912041893 Tokyo KYODO in English 0408 GMT 9 Dec 93*

[Text] Tokyo, Dec. 9 KYODO—A former company chief received a jail term Thursday [9 December] for



causing massive financial damage to the now-defunct Tokyo Sagawa Kyubin Co., by conspiring with the former chief of the trucking company. The Tokyo District Court sentenced Yasuo Matsuzawa, 42, former president of the Heiwado group of medical equipment and real estate firms, to five years in prison for causing some 24.5 billion yen in financial damage to Tokyo Sagawa Kyubin between December 1989 and March 1991.

Matsuzawa conspired with Hiroyasu Watanabe, 59, former head of the trucking firm, to have Tokyo Sagawa Kyubin provide Heiwado with the above sum, in loans and loan guarantees and without collateral, during that period, the ruling said.

Matsuzawa had been charged with aggravated breach of trust in the case, along with Watanabe, who is being tried separately.

During court hearings, Matsuzawa had admitted to the charge, saying that he used the money for speculative stock deals.

Presiding Judge Tsuyoshi Kimura said that Matsuzawa gave Watanabe 50 million yen to 200 million yen in kickbacks on each of many occasions, in exchange for loans and loan guarantees, pointing out that Watanabe needed secret funds for use in maintaining his relations with politicians.

Matsuzawa said that he had been aware of the possibility that he might not be able to repay the money, due to the risks involved in the stock trading.

Kimura said that Matsuzawa's act was selfish and had dealt a serious blow to Tokyo Sagawa Kyubin by damaging the firm's credibility.

Watanabe was allegedly the architect of a massive loan and loan guarantee scheme centering on Tokyo Sagawa Kyubin, in which an estimated sum of over 500 billion yen was provided to individuals and firms, including some companies with ties to a leading Yakuza syndicate, without collateral.

In August last year, it emerged that then liberal democratic kingmaker Shin Kanemaru received 500 million yen in back-door contributions from Watanabe and the incident caused Kanemaru to resign from parliament after he was fined in the case.

Tokyo-based parent firm Sagawa Kyubin Co., the country's leading delivery firm, absorbed Tokyo Sagawa Kyubin, and other four debt-ridden member firms, in May 1991.

### **Mieno, Fujii Vow Help To Clear Bad Loans**

*OW0912061493 Tokyo KYODO in English 0609 GMT  
9 Dec 93*

[Text] Tokyo, Dec. 9 KYODO—Monetary and fiscal chiefs promised Thursday [9 December] to take further measures to facilitate efforts by banks to liquidate non-performing loans.

Bank of Japan Governor Yasushi Mieno told the House of Councillors' Budget Committee, "we have been taking measures to facilitate write-offs (of nonperforming loans) and will continue to do so to help financial institutions."

Finance Minister Hirohisa Fujii, speaking separately at the session, agreed with Mieno's remarks, saying "I have completely the same view."

Huge problem loans have been cited as one of the major factors in prolonging Japan's economic slump, as they are making banks cautious about lending needed to boost corporate capital spending.

Both Mieno and Fujii said they are watching the stock market with "grave interest" because sluggish stock prices undermine corporate sentiment. But they declined to comment on stock price levels, saying it is not appropriate for monetary and fiscal authorities to do so.

Mieno attributed the current bearish stock market to the prolonged economic slump and poor corporate earnings.

On the state of economy, the central bank chief said, "there is not yet any sign of a recovery." Consumer and capital spending—two key engines of private demand—remain sluggish, he noted.

But he stressed that capital stock adjustment and balance-sheet improvement are progressing to create an environment for recovery.

Considering monetary measures, Mieno said the official discount rate, now at a record low 1.75 percent, provides an "underpinning effect" for the economy.

On the dollar-yen rate, he noted the yen's recent retreat but said more time is needed for companies to cope with the current rate.

### **Takemura: New Pump-Priming Measures Planned**

*OW0912045793 Tokyo KYODO in English 0442 GMT  
9 Dec 93*

[Text] Tokyo, Dec. 9 KYODO—The coalition government of Prime Minister Morihiro Hosokawa will adopt another package of pump-priming measures soon, after the Diet passes the second supplementary budget, top government spokesman Masayoshi Takemura said Thursday [9 December]. Takemura, chief cabinet secretary, made this known at a lecture session in Tokyo.

The 708.7 billion yen additional budget, drafted to prop up the economy, will come into force after receiving



approval by the House of Councillors, the upper house. The House of Representatives passed it Wednesday.

The second chamber is expected to approve the supplementary budget early next week.

#### **Effort To Revive 'Anemic Economy'**

*OW0912102293 Tokyo KYODO in English 0924 GMT 9 Dec 93*

[Text] Tokyo, Dec. 9 KYODO—The coalition government of Prime Minister Morihiro Hosokawa will quickly begin to compile a new economic stimulus package following the enactment of the 708.7 billion yen supplementary budget, the chief government spokesman said Thursday [9 December].

Chief Cabinet Secretary Masayoshi Takemura suggested at a lecture meeting at a Tokyo hotel the pump-priming package will feature an income tax cut, as well as measures to break the current stalemate in land transactions.

"There are many people clamoring for a tax cut and the prime minister is also aware of such calls," Takemura said.

"The government will concentrate on the compilation of the new package immediately after the passage of the supplementary budget through the House of Councillors and unveil its (economic) policy stance," he said.

The supplementary budget, which cleared the House of Representatives on Wednesday, will go into force after receiving endorsement in the upper chamber, which is expected early next week.

Takemura also hinted at the possibility of a third supplementary budget following legislation of the second one of 708.7 billion yen.

Takemura's comments are designed to demonstrate the government's resolve to do its utmost to revive the anemic economy, as the Hosokawa administration is coming under parliamentary criticism for supposedly failing to meet public expectations of stronger pump-priming measures, Diet sources said.

Takemura also said the government will consider providing a tax privilege to medium-sized and small high technology-oriented firms in order to help them develop "new business" fields that would provide high margins.

The government conceived the idea after the model of the Clinton administration's "electronic highways" project that would develop an optical fiber-based web of communications networks, computer data bases and consumer electronics, he said.

Economic deregulations would be further pursued to encourage the firms to embark on such value-added new business, he said.

#### **Easing Land Regulations Involved**

*OW0912111993 Tokyo KYODO in English 1023 GMT 9 Dec 93*

[Text] Tokyo, Dec. 9 KYODO—The government will start formulating a new pump-priming package, including income tax cuts and employment security measures, soon after a 708.7 billion yen supplementary budget is cleared by the Diet next week, sources said Thursday [9 December]. The package will be the second to be implemented by the coalition government of Prime Minister Morihiro Hosokawa which came to power in August.

Chief Cabinet Secretary Masayoshi Takemura, in a lecture in Tokyo on Thursday, said the government will lay down its basic approach to the package after the supplementary budget is enacted.

Finance Minister Hirohisa Fujii told the House of Councillors Budget Committee the package will be given top priority.

The sources said the proposed measures will feature increased spending on public works projects, ways to stabilize the employment situation and income tax cuts.

The unemployment rate in October hit the highest level since 1988 as private corporations stepped up job cuts to overcome the recession.

The Finance Ministry is expected to approve a request by the Labor Ministry for an increase of 100 billion yen in its budget for fiscal 1994 to promote employment for jobless workers, the sources said.

The government has launched a study on ways to generate funds necessary to carry out income tax reductions totaling about 5 trillion yen in January, they said. The package also involves an easing of regulations on land dealings and housing investments, they said.

#### **Vice Ministers Urge Early Income Tax Cuts**

*OW0912032993 Tokyo KYODO in English 0305 GMT 9 Dec 93*

[Text] Tokyo, Dec. 9 KYODO—Most vice ministers called on Thursday [9 December] for the implementation of large-scale income tax cuts at an early date to help propel Japan's economy out of its slump, a government spokesman said.

Citing high public expectations of an income tax reduction, they made the pitch in a meeting of vice ministers at the prime minister's official residence.

"Large-scale income tax cuts should be implemented quickly. If we fail to make clear that we will do so, it would further dampen the business sentiment and be counterproductive," Kunio Hatoyama, deputy chief cabinet secretary for political affairs, quoted Vice Construction Minister Eisei Ito as saying.



Vice Transport Minister Toshihiro Nikai reportedly noted the need to decide, for future benefit, on how to cover a possible revenue shortfall resulting from income tax cuts.

None of the vice ministers proposed a specific scale of possible income tax reduction, according to Hatoyama.

A government source said earlier Thursday that the government will unveil the scale of income tax cuts around December 20, if the compilation of the fiscal 1994 national budget is confirmed by year's end.

### **Ministry To Ease Curbs on Cable TV Operators**

*OW0712124693 Tokyo KYODO in English 1210 GMT 7 Dec 93*

[Text] Tokyo, Dec. 7 KYODO—The Posts and Telecommunications Ministry has decided to ease curbs on cable television (CATV) operators, ministry sources said Tuesday [7 December].

The ministry will relax the restrictions on CATV firms' entry into the telecommunications business and is studying allowing increased foreign ownership of such companies.

Current regulations limit telecom operations by CATV companies to the areas in which they are based. The ministry scrapped the curbs as of Tuesday.

The ministry may also review its rule that foreigners can own only up to 20 percent of Japanese CATV firms, the sources said.

### **Negotiations 'Snag' Defers Nuclear Project**

*OW0612143293 Tokyo KYODO in English 1416 GMT 6 Dec 93*

[Text] Tokyo, Dec. 6 KYODO—A project to build a nuclear reactor in northern Japan is being deferred for a year following a snag in negotiations on compensation to local fishermen, the semiofficial Electric Power Development Co. said Monday [6 December].

The project is to build an advanced thermal reactor at Omamachi in the Shimokita District of Aomori Prefecture on the northern tip of Honshu, the largest of Japan's four main islands.

Officials of the company said the problem is with a group of fishermen who have the right to fish in waters near the site.

The decision follows an agreement reached Monday by a panel to promote the construction. The panel is made up of representatives from the company, the trade ministry, the Science and Technology Agency, the Association of Electric Power Companies, the Power Reactor and Nuclear Fuel Development Corp.

Under the revised schedule, construction work on a demonstration reactor will get under way in April 1997, and the reactor would become operative in March 2003.

## **North Korea**

### **Spokesman on U.S. Response to 3 Dec Contact**

*SK0912103593 Pyongyang KCNA in English 1013 GMT 9 Dec 93*

[“United States Should Approach DPRK's Proposal Prudently and Make Decision on Its Judgment, DPRK FM Spokesman”—KCNA headline]

[Text] Pyongyang, December 9 (KCNA)—“If the United States refuses to accept even the proposal made by the DPRK side at the DPRK-USA working contact in New York on December 3, the DPRK cannot but form the final judgement that the United States no longer has the intention to continue dialogue,” declared a spokesman for the Foreign Ministry [FM] of the Democratic People's Republic of Korea.

“The United States should approach the DPRK's proposal prudently and make a decision on its judgement”, he said.

U.S. media set afloat reports quoting recent remarks of the U.S. official quarters that “there are both positive and negative aspects” in the proposal of the DPRK, that “it is a matter which should be examined carefully through consultation with allies” and that “never-ceasing pressure should be put on North Korea”. Answering a question put by the KCNA in this connection today, the spokesman said:

“This time we made to the U.S. side a detailed proposal to expand the scope of inspection for fully guaranteeing the continuity of safeguards by the International Atomic Energy Agency (IAEA).

“This progressive proposal made by us was a step which was taken in good faith after the U.S. side accepted the DPRK's formula of package solution and should affirmative willingness to practically improve the relations between the DPRK and the USA.

“It is the largest concession on the part of the DPRK at the present stage in view of the low level of confidence between the DPRK and the USA and between the DPRK and the IAEA.

“Of course, it is a transitional measure adopted before the third-stage talks and it is clear that an agreement on the package solution at the third-stage talks would lead to a full inspection of the facilities reported to the IAEA.

“And, in the afore-said proposal, we declared that, if the South Korean authorities proposed a working contact for the exchange of special envoys between the North and the South on an understandable term, the North was ready to examine it affirmatively.



"It is, in fact, improper for the United States to raise the exchange of special envoys between the North and the South of Korea as a precondition for its talks with the DPRK": The exchange of special envoys between the North and the South had been proposed by us and it is our stand to carry it into practice by all means.

"As the exchange of special envoys is aimed at discussing not only nuclear problem but also a number of problems arising in the relations between the North and the South, it is a domestic issue of our nation which should be discussed and agreed upon between the North and the South. So it is not a problem in which the United States should interfere, still less a problem requiring good offices of the United States.

"However, proceeding from the position to solve the nuclear problem at any cost, the DPRK, with good intentions, made clear its stand toward the exchange of special envoys between the North and the South, fully taking into consideration the embarrassing circumstances of the U.S. side.

"Now some quarters of the United States are raising a noisy row as if the discontinuation of the 'Team Spirit' joint military exercises were a big concession. But, in fact, the manoeuvres are an act of nuclear threat that plainly contradicts the spirit of the joint statement between the DPRK and the United States and so it is a big mistake for the United States to try to wrest something from the DPRK in return for it.

"The United States would be well advised to give up the idea of using the discontinuation of the war game as a bargaining chip.

"If the manoeuvres are forced, we are fully prepared to cope with them."

### **U.S. Urged To Hold Talks Without 'Preconditions'**

*SK0912122093 Pyongyang KCNA in English  
1102 GMT 9 Dec 93*

[*"Unjustifiable Attitude of U.S. and IAEA Sides"—KCNA headline*]

[Text] Pyongyang, December 9 (KCNA)—At a recent meeting of the board of governors of the International Atomic Energy Agency [IAEA] held in Vienna the United States and the IAEA sides reportedly revealed an unjust attitude of blatantly provoking the DPRK over the guarantee of continuity of safeguards on nuclear activities.

The U.S. delegate made insidious remarks that the United States would "not resume negotiations" with the DPRK unless the continuity of nuclear safeguards was ensured. And the director general of the IAEA groundlessly said "there is possibility of North Korea having

transferred nuclear substances to other places as the regular lifespan of inspection cameras has come to an end".

The outcry of the U.S. and IAEA sides that the continuity of safeguards on nuclear activities of the DPRK were undermined is a totally unfounded talk, and it is a dirty act reversing black and white.

At present, the inspection cameras and seals of the IAEA remain attached to the nuclear facilities of the DPRK. It is a sheer distortion of fact, therefore, to say that the continuity of safeguards on nuclear activities is on the point of suspension and that nuclear substances might have been transferred to other places.

The DPRK is ready to receive an inspection team for the readjustment or replacement of inspection cameras at any moment if the agency requests. This stand of the DPRK will remain invariable till the nuclear problem has been solved completely through DPRK-USA talks.

Thus, inspection cameras are enough to ensure the continuity of safeguards. But the DPRK, taking the position of the U.S. side into consideration, manifested the lenient stand that the range of inspection may be further expanded, and had already informal contacts with the U.S. side and proposed working negotiation to the IAEA side, too.

Nevertheless, the U.S. and IAEA sides contended that the DPRK should accept "wholesale inspection" by the agency in order to ensure the continuity of safeguards, setting it as one of the preconditions for the holding of the third round of DPRK-USA talks. This is an argument that cannot convince anyone.

The United States should come out at an early date to the third-stage DPRK-USA talks with an honest attitude, instead of setting unreasonable "preconditions". And the IAEA side must refrain from despicable acts of throwing a wet blanket over the talks any longer.

### **U.S. Said To Stage 'Exercises for Attack' 6-7 Dec**

*SK0912122393 Pyongyang KCNA in English  
1117 GMT 9 Dec 93*

[Text] Pyongyang, December 9 (KCNA)—The U.S. imperialists staged exercises for attack on targets in the strategic depth of the Northern half of Korea on December 6 and 7 by mobilizing formations of overseas-based fighter-bombers and pursuit-assault planes in the skies above Yongwol, Wonju and Yaju of South Korea, according to military sources.

On the 6th a U.S. RC-135 strategic reconnaissance plane flew into South Korea from Okinawa and made a shuttle flight between East and West along the frontline area for photographing and electronic espionage on all parts of the Northern half of Korea.



### **O Chin-u Meets With Iranian Defense Minister**

*SK0812144093 Pyongyang Korean Central  
Broadcasting Network in Korean 1300 GMT 8 Dec 93*

[Text] Comrade O Chin-u, minister of the People's Armed Forces, met with Mohammad Foruzandeh, minister of Iranian Defense and Armed Forces Logistics, who paid a courtesy visit today and held talks with him in a friendly atmosphere. Present were Kim Kwang-chin, vice minister of the People's Armed Forces, and Hasan Taherian, ambassador of the Islamic Republic of Iran to our country.

### **Minister To Make 'Strategic Deal'**

*PM0812132793 London AL-SHARQ AL-AWSAT in  
Arabic 7 Dec 93 pp 1, 4*

[Report by Amir Taheri: "Iran and North Korea Preparing To Sign Major Defense Deal"]

[Excerpt] London—Japanese and Western sources yesterday emphasized that Iran and North Korea are currently putting the final touches to a strategic deal worth billions of dollars. The sources added that Iran's intention is to develop a new generation of missiles—which is the pivot of the talks.

The talks began yesterday in Pyongyang after the arrival of a high-ranking Iranian military and scientific delegation headed by Defense Minister Mohammad Foruzandeh. The delegation includes also the heads of the departments in charge of the war industries, the general responsible for arms procurement, and scientists seeking to develop various ballistic systems.

According to a spokesman for the Iranian Majles Finance Committee, Tehran has spent \$2.4 to \$2.7 billion on purchasing advanced weapons from Pyongyang. This sum represents more than 60 percent of Pyongyang's total arms exports over the next five years, as Tehran intends to spend \$22 billion on weapons in the period through 1998.

It is believed that Foruzandeh is seeking to acquire other weapons, including pilotless aircraft for reconnaissance use and for delivering chemical and nuclear payloads to targets within a 1,000 km range. He is also seeking North Korea's assistance in building underground missile and aircraft bunkers in some 18 sites in various parts of Iranian territory.

The Iranian agenda also includes a request for technological assistance to repair about 130 aircraft—most of them Russian-made—which Baghdad sent to Tehran during the 1991 Gulf war. As Pyongyang has similar aircraft, it can help Tehran to benefit from these aircraft by incorporating them into its Air Force pending an Iranian-Iraqi settlement of the war reparations question.

A North Korean spokesman said yesterday that the talks are being held within the framework of the work of a joint ministerial committee formed last year. It is worth

noting here that Korea is the only state which enjoys the existence of such a joint committee with Iran at defense minister level—which points clearly to the strong rapprochement between the two states. [passage omitted]

### **WPK Central Committee Holds Plenum 8 Dec**

#### **Kim Il-song Chairs Plenum**

*SK0812232093 Pyongyang Korean Central  
Broadcasting Network in Korean 2100 GMT 8 Dec 93*

[Information [podo] on the 21st plenary session of the Sixth Congress of the WPK Central Committee]

[Text] The 21st plenary session of the Sixth Congress of the Workers Party of Korea [WPK] Central Committee was held on 8 December. Comrade Kim Il-song, general secretary of the WPK Central Committee and great leader of our party and people, presided over the plenary session.

Members and alternate members of the party Central Committee and members of the party Central Inspection Committee participated in the plenary session.

The following agenda was presented to the plenary session: 1) The summing-up of the implementation of the Third Seven-Year Plan and on a direction of the imminent economic construction; 2) Issues on organization.

Comrade Kang Song-san, member of the WPK Central Committee Political Bureau and premier of the State Administration Council, delivered a report on the first agenda.

Comrade Kim Il-song, general secretary of the WPK Central Committee and great leader of our party and people, made important conclusions on the first agenda. Relative decisions were adopted at the plenary session.

Issues on organization, the second agenda of the meeting, were discussed at the plenary session. Comrades Kim Yong-chu, Hyon Chol-hae, Kim Yi-chang, Nam Sang-nak, Han In-sul, Chae Hui-chong, Yi Yong-chol, Choe Song-suk, and Chu Song-il were appointed members of the party Central Committee. Comrades Chong Chang-yol, Paek Sang-ho, Yi Chae-chol, Pak Chae-kyong, Yi Tong-chun, Kwak Pom-ki, and Pak Un-hyon were appointed alternate members of the party Central Committee.

Comrade Kim Yong-chu was appointed member of the Political Bureau and the party Central Committee. Comrades Yang Hyong-sop and Hong Sok-hyong [who replaced Kim Tal-hyon as chairman of the State Planning Committee] were appointed alternate members of the party Central Committee Political Bureau.

Issues on organization to be referred to the Supreme People's Assembly for deliberation were discussed at the plenary session.



**KCNA on Plenum Proceedings**

*SK0912043193 Pyongyang KCNA in English  
0419 GMT 9 Dec 93*

[Text] Pyongyang, December 9 (KCNA)—A communique on the 21st plenary meeting of the 6th Central Committee of the Workers' Party of Korea was published.

According to the communique, the 21st plenary meeting of the 6th Central Committee of the Workers' Party of Korea was held on December 8.

The great leader of our party and our people Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, presided over the plenary meeting.

The meeting was attended by the members and alternate members of the Central Committee of the party and the members of the party central auditing commission.

Following was the agenda of the plenary meeting:

1. On summing up the fulfillment of the third seven-year plan and the immediate orientation of economic construction

2. Organizational matter

Kang Song-san, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and premier of the administration council, delivered a report on the first item of the agenda at the plenary meeting.

Comrade Kim Il-song made an important concluding speech on the first agenda item.

The plenary meeting adopted a relevant decision.

Then it discussed the second agenda item, the organizational matter.

Kim Yong-chu, Hyon Chol-hae, Kim Yi-chang, Nam Sang-nak, Han In-sul, Chae Hui-chong, Yi Yong-chol, Choe Song-suk and Chu Song-il were elected members of the party Central Committee to fill vacancies.

Chong Chang-yol, Paek Sang-ho, Yi Chae-chol, Pak Chae-kyong, Yi Tong-chun, Kwak Pom-ki and Pak Un-hyon were elected alternate members of the party Central Committee to fill vacancies.

And Kim Yong-chu was elected member of the Political Bureau of the party Central Committee, and Yang Hyong-sop and Hong Sok-hyong alternate Politburo members to fill vacancies.

The plenary meeting dealt with the organizational matters to be submitted to the Supreme People's Assembly for deliberation.

**Communique Issued on Plenum**

*SK0912014893 Pyongyang Korean Central  
Broadcasting Network in Korean 2106 GMT 8 Dec 93*

[Communique of the 21st Plenary Session of the Sixth Workers Party of Korea Central Committee on the status of the fulfillment of the Third 7-Year Plan, 1987-1993—read by announcer]

[Text] Seven years have passed since the Third Seven-Year Plan for the implementation of the grand program of socialist economic construction presented at the historic sixth congress of our party was embarked upon. This Third Seven-Year Plan period is the period of great creation and construction during which our people have built high the tower of exploits which will shine brilliantly in the history of the fatherland by surmounting formidable trials. It is also the period of dignified struggle which has safeguarded and defended the popular mass-centered socialism of our own style and demonstrated its invincible might and superiority.

With the completion of the Third Seven-Year Plan as an occasion, the 21st Plenary Session of the Sixth Workers Party of Korea Central Committee [WPK] summed up the status of its fulfillment and issues with a communique as follows:

In accordance with the strategic line for socialist economic construction presented at the sixth party congress, our party set forth the grand goal of the Third Seven-Year Plan for national economic development, the basic task of which is to provide the material and technological foundations for the complete victory of socialism by accelerating making the national economy chuche-oriented, modernized, and scientific, and has vigorously waged the struggle for the implementation of this goal.

The Third Seven-Year Plan was correctly prepared in conformity with the demands of our developing revolution and the aspirations of our people and was a grand economic construction plan which opened up a new bright vista for the future of the fatherland. It was also the great goal which effected a decisive turn in the struggle for the complete victory of socialism.

Our party clearly elucidated the direction and policy to successfully fulfill the Third Seven-Year Plan and has organized and mobilized all of the people into a general march of fulfilling a new economic construction goal, holding aloft the banner of the three revolutions—ideological, technological, and cultural. The grand goal of the Third Seven-Year Plan and the party's policy to fulfill it have vigorously inspired all the working people across the country to heroic struggle and exploits. As a result, since the first period during which the new long-term plan was embarked upon great upsurges have been effected in socialist construction.

Our party's and our people's struggle to fulfill the Third Seven-Year Plan was carried out amid formidable trials



and difficulties at a time when the internal and external situation was most complicated and acute.

During this period socialism was frustrated in the former Soviet Union and east European countries, and the antisocialist offensives by the imperialist and reactionary forces of the world were unprecedentedly unscrupulous. Due to the worldwide political upheaval, the international circumstances of our revolution rapidly changed. With the collapse of socialist markets of the world as an occasion, a fundamental change has been effected in our country's external economic relations, as well.

Entering the nineties, serious international events and complicated situations took place in succession. This greatly influenced our revolution and construction and created great obstacles and difficulties to our socialist economic construction. With the collapse of many socialist countries and socialist markets of the world, the long- or short-term trade agreements concluded with these countries have been mixed up [hongkullojida], their implementation has been almost suspended, and the traditional economic cooperation and trade exchange between our country and neighboring countries have become inactive.

This has not only caused serious damage to our economic construction, but has also made it inevitable to adjust the pace and balance of our overall economic development and made it impossible to fulfill the Third Seven-Year Plan as scheduled.

In addition, during the period of Third Seven-Year Economic Plan, because of the enemy's aggravated maneuvers of aggression and frenzied offensive against our Republic, the situation of the Korean peninsula has become furthermore acute.

Since socialism was frustrated in many countries of the world, the imperialists and reactionaries concentrated the spearhead of the offensive on opposing our Republic, and persistently maneuvered politically, militarily, and economically in an attempt to isolate and crush our country and to eradicate our socialist cause.

The U.S. imperialists and the South Korean puppet clique strained the situation on the Korean peninsula by staging each year the Team Spirit joint military exercise, which is aimed at launching a preemptive strike on our Republic by mobilizing all modern war means. In spite of strong protest and denunciation of our people and the world's people, they again staged this year the Team Spirit-93 joint military exercise on a larger scale and thus aggravated the situation to an extreme pitch.

In order to cope with this, we took a resolute self-defense step of declaring a semi-war condition to the entire nation, to all the people and the whole Army. Under the condition in which the danger of a new war was further increasing on the Korean peninsula, we had to direct many things in the economic field to national defense in order to strengthen the nation's defense capabilities.

Based on its profound insight into the changed international circumstances and the situation which had been strained each day, our party adjusted the speed of economic growth, which was estimated in the Third Seven-Year Economic Plan, and reduced the economic scale. Our party put forward revolutionary policies to further perfect the economic structure with a view to strengthening the nation's economic self-reliance and to making a change in direction of external economic relations in compliance with the changed circumstances so that we can survive with our own strength under any condition.

Our party, in particular, directed strength to light industry and to the production of consumer goods in order to further enhance the people's living standard. In the heavy industry field, our party gave a priority to the electric power industry and coal industry and saw to it that the overall development of the national economy be attained.

Our heroic working class and all working people, who are endlessly loyal to the party and the leader [suryong], effected brilliant feats in socialist economic construction by upholding the new revolutionary policies put forward by the party and by demonstrating the revolutionary spirit of self-reliance and arduous struggle and a sense of peerless patriotic devotion.

Our people confidently traversed along the single road of revolution by following the party without slightest degree of wavering even under arduous circumstances. With iron-clad faith and will, "What the party decides, we will do!" we tenaciously and persistently fought by heroically overcoming all difficulties and trials.

With the heroic struggle of our people who are singleheartedly united with the party and the leader and with the might and vitality of self-reliant socialist economy of our country, great successes were made in socialist economic construction and in the people's living condition during the Third Seven-Year Economic Plan period even amid the rapidly changing situation and repeated difficulties.

Because of the international events and acute situation created in our country, the total industrial output and plans of some major indexes including electricity, steel and chemical fiber, which were estimated in the Third Seven-Year Plan, were short of the plan [midalhada]. However, a new great advance was registered in all domains of socialist construction.

The reality clearly showed that the revolutionary steps taken by our party were most just and wise steps which totally correspond to the basic interest of our revolution and construction and which coped with the rapidly changing situation on our own initiative.

Amid the grave situation created during the Third Seven-Year Economic Plan period and arduous trials, the boundless loyalty of our people to the party and the leader, the might of the singlehearted unity of the leader,



the party, the masses, and indomitable vitality of socialist self-reliant national economy in our country have been more vigorously proven.

During the period of the Third Seven-Year Plan, great progress has been made in developing the people's economy, and an economic and material basis for the popular masses-centered socialism of our own style has been further consolidated as a result. The task of the chuche-oriented development and modernization of the people's economy and of the application of science to the people's economy, a strategic line on socialist economic construction, has been carried out vigorously, and our country's economy has been further consolidated into a self-reliant socialist national economy in which modern technology has been applied to the industrial sector, the rural economy, and all other fields of the people's economy and whose infrastructure has been built completely.

Production has greatly increased in the violent flames of the struggle to create the speed of the grand onward march of the socialism of our own style, following the struggle to create the speed of the eighties, and the people's problems of food, clothing, and housing have been solved more satisfactorily.

During the Third Seven-Year Plan, the industrial sector has developed rapidly, and the might of the chuche-oriented industry has been further strengthened. During the 1987-1993 period, industrial production increased by a factor of 1.5 and the annual increase rate of industrial production was 5.6 percent.

In compliance with the party's consistent policy on giving top priority to the leading sectors of the people's economy, during the period of the plan, priority has been given to the power industry and the mining industry, and great efforts have been made to developing the metal industry. As a result, the country's resource, fuel, and power bases have been further expanded and strengthened and consolidated in a qualitative manner.

In the power industry, the Taechon and Wiwon Power Stations, the Sinchon and Tongpyongyang Thermal Power Stations, the Namgang and Kammun Power Stations, and other large-scale hydraulic and thermal power stations and numerous small and medium-size power stations have been newly built; the construction of the Mt. Kumgang, Yongwon, and Kумыgang Power Stations and other hydraulic power stations and the December and Haeju Thermal Power Stations have been accelerated positively; and great progress has been made in developing and utilizing new power sources [saeroun tongnyok chawonul kaebal iyonghanun].

Electricity production in 1993 increased by a factor of 1.3 from that of 1986, and our power industry has been more strongly consolidated into a chuche-oriented and self-reliant power base that is armed with modern technology and based on abundant resources of its own.

In the mining industry, large-scale coal mines in Anju, Sunchon, and Pukchang and the Komdok Mining Complex and other mines in Tanchon and other areas of Yanggang Province have been rebuilt and expanded on a large scale; numerous new coal mines, mines, and pits have been developed in areas where there were rich deposits and where mining conditions were favorable, and large, modern, and high-speed mining equipment has been introduced, thus significantly improving the level of technology and equipment in coal mines and mines.

During the period of the plan, coal production has increased by a factor of 1.4, and non-ferrous metal production by a factor of 1.6. And, the resource and fuel bases of the country have been expanded and strengthened, and a strong foundation has been provided for more vigorously accelerating the main forces of the people's economy.

The metal industry has been developed, and its chuche-oriented and self-reliant nature has been further strengthened. During the period of the plan, steel production has increased by a factor of 1.3.

In the metal industry, metallurgical method using resources available in our country has been further completed; the chuche-oriented steel production bases have been modernized; the second expansion work of the Kim Chaek Steel Complex and the capacity expansion work of the Musan Mining Complex have been carried out successfully; the production bases of high-pressure pipes and [word indistinct] steel pipes have been newly built; and, thus, our metal industry has a self-reliant industry whose infrastructure has been completed and all sectors of which are being developed in a harmonious manner.

With the development of the ferrous metal industry, technological modernization has been positively carried in smelteries, and the Tanchon Smelter has recently become operational. As a result, the production capacity of non-ferrous metals has significantly increased; the Tanchon Magnesia Plant, the Taehung Youth Mining Complex, and the Yongyang Mine have been rebuilt and expanded into modern plants; and the production bases of magnesia clinker and other fire-resistant materials has been further expanded and strengthened.

All sectors in the machine industry have rapidly developed in conformity with the demands of the technological revolution, and the introduction of precision, large-type, and high-speed machines has been vigorously carried out.

A great progress has been made in accelerating the overall technological innovation of the people's economy and in making a production process mechanized, automatized, robotics-oriented, and electronic computer-oriented by rapidly developing the machine tool industry and electronic automation industry in accordance with the decision made at the 14th plenary session of the sixth party Central Committee.



The work of expanding the capacity of the Huichon machine tool complex has been successfully carried out. A modern digital control machine tool production base has been built at the 3 April Machine Tool Complex. As a result, a firm foundation has been provided to increase the production of machine tools and to improve their quality.

Along with this, more modern machine production bases, including the bases to produce automotive engines, oil pressure equipment, and electric facilities, have been newly built. As a result, the structures [pubun kujo] of the machine industry have been further perfected and consolidated in quality.

Our machine industry has demonstrated its might by outstandingly manufacturing a 10,000 tonne press with our own design and technology and by successfully operating the 18 May forging press plant. Thus, our machine industry has smoothly produced and supplied machine equipment required for the modernization of the national economy and nature remaking work.

Electronic and automation industry has rapidly developed. As a result, the existing production bases of electronic and automation elements have been readjusted and strengthened. Also, production bases of modern electronic and automation elements, including new direct circuits, electronic computers, control devices, and production bases of electronic daily necessities have been built. As a result, the material and technological foundations of the electronic and automation industry sector have been further strengthened.

Great efforts have been concentrated on developing the chemical industry sector. As a result, the production of chemical products, including chemical fertilizer and fiber, has further increased.

In the period of the plan, the first phase construction project of the Sunchon vinalon complex, a chuche-oriented and comprehensive large-scale chemical industrial base, has been completed and put into operation; chemical fiber production bases, including Sinuiju chemical fiber complex, have been further readjusted and strengthened; and more chemical products production bases have been built. As a result, it has been possible to epochally increase the production of chemical fiber and various kinds of chemical products.

The introduction of facilities at the Hungnam fertilizer complex and its modernization have been successfully carried out in a short period of time; existing chemical fertilizer plants and agricultural chemicals have been rebuilt into modern ones; production bases of organic [word indistinct] fertilizer, including (Hukposan) fertilizer, have been built anew; and the potassic fertilizer industry which uses the rich resources available in Sariwon district has been created. As a result, the production of chemical fertilizer has increased by a factor of 1.5, its quality has been further improved, and a firm foundation which makes it possible to complete the chemicalization of the rural economy has been provided.

A great success has been effected in the development of light industry. According to the decision made at the 16th plenary session of the sixth party Central Committee with regard to accelerating the revolution in the light industry sector, the struggle to modernize light industry plants, to operate them at full capacity, and, thus, to enhance the quality of products has been vigorously carried out. As a result, a new turn has been effected in the production of people's consumer goods.

The modernization of textile facilities and equipment and the introduction of high-speed ones have been realized in Kusong, Sariwon, and Kaesong textile plants, including Pyongyang general textile plant, and new textile facilities have been built. As a result, cloth production capacity has increased by far. Also, knitwear production bases have been rebuilt and expanded. As a result, the ratio of knitwear in clothes has increased, and clothing industry has further developed. Shoe production has increased, and foodstuffs industry and daily necessities industry have rapidly developed.

In the period of the plan, thanks to the party's consistent policy of developing large-scale central industries and small- and medium-scale local industries simultaneously local industrial plants have been modernized and local raw material bases have been firmly built. As a result, local industrial production has increased by a factor of 1.7.

More sub-plants, sub-workshops, and sub-work teams of the 3 August people's consumer goods have been built in plants and enterprises of all sectors of the national economy, and home work teams and side-job teams have been widely organized to vigorously carry out the 3 August people's consumer goods production as a mass movement. Thus, the production of people's consumer goods has more rapidly increased.

A new turn has been effected in the economic development of rural communities during the Third Seven-Year Plan. The ideological, technological, and cultural revolutions have been vigorously carried out in the rural communities and the socialist cooperative economic system has been consolidated there as elucidated by the thesis of the socialist rural communities. Also, our party's chuche farming method has been thoroughly implemented and a new success has been made in the green revolution in the rural communities. As a result, all economic sectors, including crop production, in the rural communities have been rapidly developed.

Under the active support of chuche industry, technological innovation has been positively carried out in the rural communities. As a result, irrigation as well as electrification has been completed at higher level. Also, changes have taken place in the mechanization and chemicalization [hwahakhwa].

Thanks to the brilliant achievement of the construction of Sohae lockgate, a great monumental creation in the era of the Workers Party of Korea, the long waterways of 2000-ri—including Sinchon, Kangnyong, and Ongjin



waterways from Sohae lockgate; Changsungho and Yoksu waterways from Sohae lockgate; Omchun waterway from Sohae lockgate; the Yonbaek plain waterway from Yesong river; the Mirukpul plain waterway from Nam river; and Unjon, Chongju, and Kwaksan waterways of Kaechon power plant—have been constructed. As a result, the Taedong River has been linked to the Yesong River and, also, the Yalu River has been linked to the Taedong River with a great circulating irrigation system. A great work of transforming the nature, which makes all rice paddies and fields—a rich grain district—in the western area full of irrigation water, has been successfully carried out.

During the implementation of the plan, 26,000-ri of waterways, including a 2,000-ri waterway; approximately 12,400 water supply stations; 192 reservoirs; and approximately 16,000 underground water facilities have been newly constructed and an irrigation system has been fully established to supply water for the rice paddies and fields. As a result, our country has been turned into a country with a developed irrigation system, a model country of irrigation, which is worthy to show off to the world.

Various modern agricultural machines—such as tractors, trucks, rice transplanting machines, rice scoopers, ridge building machines, and harvest machines—have been produced and supplied to the rural communities. These machines comply with the geological conditions and the characteristics of farming production in our country. As a result, the general farm mechanization has been realized at a higher level to make all farming work processes, such as harrowing, sowing seeds, and harvesting and threshing grains by using machines.

During the implementation of the plans, the supply of chemical fertilizer for agriculture has been increased by a factor of 1.4, and its quality has been raised. Also, the supply of insecticides, germicidal agents, and herbicides has been far increased.

The brilliant achievement gained in the development of agriculture has been a great advance in laying material and technological materials for liberating farmers from the hard and difficult labors, for greatly increasing agricultural production, for converting the cooperative ownership into all-people ownership on a gradual basis, and for removing the class differences between working class and farmers.

A great effort has been made for the development of the fishing industry. During the implementation of the plans, approximately 1,100 fishing boats, including the large-sized stern trawler of more than 3,750-ton class, has been produced. Also, the work of modernizing the fishing boats and facilities for the process of fisheries. As a result, the material and technological foundation has been strongly consolidated. In particular, a struggle to raise coastal farming has been vigorously conducted

throughout the country. As a result, an area of the coastal farming and its production capacity have been largely increased.

The transport sector, including railway transport, has been further developed. During the Third Seven-Year Plan, the work of modernizing railway transport has been accelerated and new railways have been built in various areas. As a result, the capacity of railway transport has been further increased.

Thanks to the heroic struggles by our youth builders, the inner railroads have been newly built in the northern area. A railroad of approximately 800 kilometers has been electrified. As a result, the electrification of the main line of the railway has been basically completed in our country.

Because of the embodiment of the party's policy to introduce heavy-duty cargo trains, many railroads have been built for the heavy-duty cargo trains and railway transporters, including modern electric locomotives and large-scale heavy-duty trucks, have been increased. The technology and equipment of cargo stations and exclusive lines have been further improved.

According to the party's transport policy, centralized transport and collective transport have been further strengthened. Also, automation and computerization of railway transport has been actively accelerated.

In the land and maritime transportation sector, during the period of the plan, the modern Pyongyang-Kaesong, Pyongyang-Kangdong, and Wonsan-Mt. Kumgang expressways have been built; the expansion and pavement projects have been carried out on various major roads; Hungnam and other trade ports have been rebuilt or expanded; and ports' capacities have increased greatly, as a result.

During the period of the Third Seven-Year Plan, large-scale construction projects have been carried out with the investment of tens of billions of won in capital construction.

Large-scale construction combats have been carried out to fulfill the new long-range plan for socialist economic construction; the construction of power bases, metallurgical industrial bases, chemical industrial bases, and other major construction projects have been carried out vigorously. As a result, during this period, approximately 11,000 plant facilities have been built and dedicated in the industrial sector alone. The grand nature-remaking project, which includes the construction of irrigations systems in rural areas and that of tidelands, has been carried out successfully.

Under our party's wise leadership and grand-scale construction plan, the monument on the victory in the fatherland liberation war, the Three Revolutions Exhibition Hall, the Mangyongdae School Children's Palace, the 1 May Stadium, the Chongchun Street Gymnasiums, and numerous other monumental edifices of the



Workers Party era have been built in Pyongyang, the revolutionary capital, and approximately 3,200 educational, cultural, and public health facilities and various service facilities have been built across the two countries.

The party's plan to satisfactorily solve the people's housing problem has been implemented brilliantly. As a result, during the period of the plan, in Pyongyang, the grand and luxurious Kwangbok and Tongil Streets have been built, and approximately 100,000 modern houses have been newly built. Approximately one million houses have been built in cities and rural areas across the country.

Powerful construction materials bases have been built, and, as a result, a basis has been provided for carrying out grand-scale construction combats more vigorously.

During the period of the plan, the (Sangun) Cement Plant which is equipped with ultramodern technology and equipment and whose annual capacity is two million tonnes has been completed and dedicated, and the expansion work of existing construction materials plants has been carried out successfully. Numerous small and medium-size construction materials plants have been built in regions, thus satisfactorily fulfilling the increasing demands for cement and various other construction materials in the people's economy.

Socialist cultural construction has been carried out vigorously, and science, education, culture, and public health have been further developed. During the period of the plan, by displaying a high spirit of loyalty and patriotic devotion, our scientists and technicians have successfully carried out scientific and technological development plans for different stages, thus greatly contributing to the chuche-oriented development and modernization of the people's economy, the application of science to the people's economy, and the development of science and technology in the country.

In the 1987-1993 period, approximately 12,000 valuable inventions and hundreds of thousands of contrivances and rationalization plans have been introduced into various fields of the people's economy.

In the educational sector, according to "Theses on Socialist Education" and the party's policy on intellectualizing the entire society, the quality of universal eleven-year compulsory education has been further improved, 55 universities and many technological colleges have been founded, and the material and technological basis of school education has been further consolidated.

Under the most excellent socialist educational system of our country, all of our new generation is growing into a group of able functionaries who are loyal to the party and the leader [suryong] and developed comprehensively, and the rank of our intellectuals has grown to a large unit of 1,730,000.

In the cultural and artistic field, the imperialists' ideological and cultural infiltration has been thoroughly prevented, and our party's chuche-oriented literary ideas and creative plans on culture and arts have been implemented brilliantly. As a result, numerous literary and artistic works of high ideological and artistic quality have been created, thus indoctrinating the workers in a revolutionary manner and vigorously inspiring them into the worthwhile struggle to complete the chuche revolutionary cause.

In the public health sector, the party's policy on preventive medicine has been thoroughly implemented, and medical services for the workers have been further improved and strengthened. During the period of the plan, hospitals have been further modernized, and many medical service facilities have been opened. The number of doctors per 10,000 people was 29.7 in 1993, and the workers' average life expectancy increased to 74.5. As a result, all the workers are enjoying healthy and long lives. During the period of the Third Seven-Year plan, the people's lives have improved, and our people have come to enjoy more worthwhile and happier lives.

Thanks to the achievements won during the period of plan implementation, remuneration for the cost of living paid to workers and office employees, social security pensions paid for those benefitting from the social security system, and scholarship funds paid to students of colleges and professional schools have been raised drastically—over 40 percent across the board. At the same time, the purchasing price for farm products have been drastically increased through an epochally popular policy to increase the income of cooperative farmers.

Working people's subsistence incomes have systematically increased under the socialist economic system of our country. The standard of material and cultural living has been evenly improved for all—workers, office employees, cooperative farmers, and all other working people.

The most superior free compulsory education system, perfectly comprehensive free medical system, advanced social security system, and various communist policies have been put into practice in an even more proper manner.

Leadership of the great party and the great chuche idea has been put into practice. Accordingly, our socialist society has been stable politically, has been healthy ideologically and spiritually, and has been most solid under the single-hearted unity around the party and leader [suryong]. It has been a most popular society where the state practically and firmly guarantees the political rights and freedoms of all people and responsibly looks after their material and cultural life.

Today, our people all enjoy a rewarding life and happiness under the socialist system of our own style; absolutely free from any social or political instability, free from the threat of unemployment and poverty, and free



from worry or anxiety over their lives. Laudable communist virtue is highly displayed among the people and the whole society is overflowing with revolutionary spirit and political enthusiasm.

Our people have deeply realized through their practical living that defending socialism of our own style and adding luster to it are the only way to victory and glory and the most rewarding and happiest way of life. They are now indefatigably struggling with overflowing confidence and optimism for the consummation of the chuche socialist cause.

All the successes won through the implementation of the Third Seven-Year Plan are the products of the wise leadership of the great leader Comrade Kim Il-song and our party. At the same time, they are the noble fruition brought about by the might of the single-hearted unity between the leader [suryong], party, and people. At the same time, all these achievements are a firm display of the matchless superiority and might of the socialist system of our country which never staggers before any economic blockade by imperialists or any fluctuation in the world's political situation. At the same time, they are a clear display of the vitality of the socialist economy of our country which is achieving planned development from a foundation of self-reliance.

The achievements won during the Third Seven-Year Plan will encourage our people, who are struggling vigorously to defend the socialism of our own style and to add luster to it, to new exploits and will give even greater courage and confidence to the South Korean people who struggle for the democratization of the society and for the reunification of the fatherland, and to the revolutionary peoples of the world who are turning out in a renewed struggle for socialism.

Through the struggle to implement the Third Seven-Year Plan, we have come to have an even mightier weapon to further strengthen the economic, political, and military might of the country and to guarantee the fatherland's prosperity and development and the people's happy life.

Under the leadership of the party, our people have strengthened the mass-oriented socialism of our own style into an even more invincible and ever-victorious one which nothing can destroy. They have great national pride and revolutionary self-esteem regarding this.

Today, we face the honorable task of further enhancing the might of socialism of our own style and displaying its superiority even more highly by consolidating the achievements of the Third Seven-Year Plan and by vigorously accelerating socialist economic construction.

Based on its profound analysis of the changed environment and specific demands of socialist construction in our country, our party set the next two or three years as a period of adjustment [wanchunggi] for socialist economic construction and presented its strategic policy on giving priority to agriculture, light industries, and trade during the period.

According to the revolutionary economic strategy presented by the party, we will increase state investments in the sectors of agriculture, light industries, and trade with foreign countries, and will vigorously accelerate developing these sectors. By doing so, we will even further strengthen the independence and might of our economy.

In the sector of rural economy, we will complete the technological revolution in rural areas and carry out farm work in a scientific and technological way in accordance with the demand of the chuche farming method, so that we may elevate the level of all sectors of agricultural production to a higher one. We will also brilliantly implement historic tasks of the socialist rural theses by further consolidating our socialist rural economic system.

By accelerating the revolution in light industry, we will technologically rebuild and enlarge light industrial plants and develop local industries. At the same time, we will remarkably increase production of various textile products, daily necessities, and processed foods by increasing production of chemical textiles, synthetic resins, and other raw materials for light industries, and will diversify sorts of consumer goods and improve their quality dreadfully.

We will firmly prepare export goods production bases in all sectors of the national economy, increase and intensify the production of export goods, and actively seek foreign markets so that we may make a new turning point in developing trade with foreign countries.

We will solve fuel, energy, and transport problems more smoothly by concentrating great efforts continuously on the primary sectors of the national economy—coal industry, electric power industry, and railroad transport sector—so that we can normalize the production at a high level in all sectors of the national economy and can accelerate the development of the country's general economy.

By completely implementing the party's new strategic policy for socialist economic construction, we will realize our people's long-cherished desire that all the people eat rice and meat soup, wear silk clothes, and live in tile-roofed houses in the near future and will consolidate the grounds of the self-reliant economy of popular mass-oriented socialism of our own style as firm as a rock.

Today, internal and external situation for our revolution is very severe and complicated, and our people's struggle is difficult and arduous. Our future [chonmang], however, is bright and promising, and our strength is infinite. We have the great party's seasoned leadership and the might of the popular masses who are firmly united around the party with one ideology and will. We have a powerful, self-reliant national economy and abundant resources with which we can be self-sufficient for food, clothes, and housing under any situation.

No political and ideological offensive, economic sanctions, or military threat by imperialists and reactionaries



will frighten our people. No force can block our people's advance under the party's leadership. Our people foresee their bright future from the leadership of our party, and our people's loyalty of trusting, following, and upholding the party is higher than ever.

The popular masses' resolution is firm and the masses' revolutionary spirit is reaching the sky. By effecting a new revolutionary uprising in socialist construction under the party's wise leadership with vigorous revolutionary spirit and unyielding fight, our people will resolutely protect, defend, and add luster to the popular mass-oriented socialism of our own style and will victoriously consummate the chuche revolutionary cause.

### KCNA Summarizes Communiqué

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["Communique of Plenary Meeting of C.C., WPK on Fulfilment of Third Seven-Year Plan"—KCNA headline]

[Text] Pyongyang, December 9 (KCNA)—The 21st plenary meeting of the sixth Central Committee [C.C.] of the Workers' Party of Korea [WPK] held Wednesday reviewed the fulfilment of the third seven-year plan (1987-1993) upon its conclusion and published a communiqué in this regard.

The communiqué says among other things:

Our party has vigorously worked to fulfil the third seven-year plan for the development of the national economy since it set vast goals of the plan, the main task of which is to promote the chuche orientation, modernization and scientization of the national economy and lay material and technical foundations for the complete victory of socialism along the strategic line laid down at the sixth party congress.

Our party and our people have striven to fulfil the plan under a most complex and acute internal and external situation, overcoming grim trials and difficulties.

In this period, socialism was frustrated in the former Soviet Union and East European countries and the anti-socialist offensive of the imperialists and reactionary forces of the world has been intensified as never before.

With the collapse of socialist countries and the socialist market of the world, long-term or short-term trade agreements signed with those countries were shattered, their fulfilment were all but stopped and the traditional economic cooperation and trade businesses between the DPRK and those countries were stalled.

This caused big losses in our economic construction.

When socialism was frustrated in some countries, the imperialists and reactionaries turned the sharp edge of their attack to the DPRK and persistently manoeuvred

in the political, military and economic fields to isolate the DPRK and stifle its socialist cause.

The U.S. imperialists and the South Korean puppets annually staged "Team Spirit" joint military maneuvers with the mobilisation of all modern means of war for a preemptive attack on the DPRK, aggravating the situation on the Korean peninsula. This year they staged the "Team Spirit 93" joint military exercises on a larger scale, despite the strong protest and denunciation by the Korean people and the world's people, thus bringing the situation to the extreme pitch of strain.

In face of this situation, we could not but take a resolute self-defensive measure, putting the whole country, the entire people and the whole army in a semi-war state.

With the danger of a new war increasing on the Korean peninsula, we had to divert a big proportion of the economy to national defence in order to increase the defence capabilities of the country.

With a deep insight into the changed international circumstances and the situation growing acute, our party set forth a revolutionary policy of completing the economic structure in such a manner as to increase the economic independence of the country further still so as to subsist by our own efforts under any circumstances, readjusting the rate of economic growth envisaged in the Third Seven-Year Plan and reducing the scope of the economy, and of making a switchover in the external economic relations to suit the changed situation.

Our party saw to it that the people's living further improved with efforts concentrated on the light industry and the production of consumer goods and a definite priority was given to the power industry and the coal industry in the heavy industry so that the national economy could be developed as a whole.

Thanks to the heroic struggle of our people united in one mind around the party and the leader and the might and vitality of the socialist independent national economy of Korea, a great progress has been made in socialist economic construction and the improvement of the people's standard of living in the third seven-year plan period despite the fast-changing situation and manifold difficulties.

A new great progress has been made in all fields of socialist construction, though the targets of the whole scope of industrial production and some major indices including electric power, steel and chemical fibre envisaged in the third seven-year plan failed to be attained due to international events and the acute situation created in Korea.

Under the grim situation and harsh trials created in the third seven-year plan period, the intense loyalty of our people to the party and the leader, the might of the singlehearted unity of the leader, the party and the



masses and the invincible vitality of the socialist independent national economy of our country have been given fuller play.

In this period, a rapid progress has been witnessed in the industrial field and the might of the self-reliant industries has grown further still.

In the 1987-1993 period, the industrial output has increased 50 percent and the average annual growth rate of the industrial output reached 5.6 percent.

In this period, priority has been given to the power and mining industries and big efforts have been directed to the development of the metal industry with the result that the bases of raw material, fuel and power of the country have grown in scope and strength and consolidated in quality.

The power output in 1993 is 30 percent up on the 1986 figure.

In the period of the plan, the coal output has grown 40 percent, the output of non-ferrous metal ores 60 percent and steel output 30 percent.

A great progress has been made in rapidly developing the machine-tool industry and the electronics and automation industries to promote the overall technical renovation of the national economy and mechanize, automate, robotize and computerize the production processes under the decision of the 14th plenary meeting of the sixth Central Committee of the party.

Big efforts have been directed to the development of the chemical industry, so that the production of chemical goods including fertilizers and fibre could be increased.

In the period of the plan, the output of chemical fertilizers has risen 50 percent, its qualitative composition improved and a solid foundation laid for the completion of the widespread use of chemicals in agriculture.

A great progress has been made in the development of the light industry.

A new turn has been made in the production of consumer goods through a vigorous drive to modernize the light industrial factories, operate them at full capacity and improve the quality of goods under the decision of the 16th plenary meeting of the sixth Central Committee of the party on carrying a revolution in the light industry.

In this period, local industrial factories have been streamlined and the local raw material bases consolidated under the consistent policy of the party on developing the large-scale industry under central authority and the medium- and small-scale local industry in parallel in the production of consumer goods, with the result that the local industrial output has grown 70 percent.

A new progress has been made in the development of agriculture in the plan period.

Along the line indicated by the socialist rural theses, the ideological, technical and cultural revolutions have been promoted dynamically and the socialist cooperative system consolidated in the rural communities, our party's *chuche* method of farming applied strictly and new achievements made in the green revolution, with the result that a rapid development has been registered in all realms of agriculture including grain production.

Overall irrigation and electrification have been perfected on a high plane and a turn has been effected in mechanization and widespread use of chemicals with the rural technical revolution actively promoted with the powerful support of the self-reliant industry.

The period of the plan has witnessed the construction of a total of 26,000-ri long water-channels including a 2,000-ri long waterway, more than 12,400 pumping stations, 192 reservoirs and over 16,000 facilities for the use of underground water.

As a result, a comprehensive irrigation system has been established in paddy and nonpaddy fields and the country has become a land of developed irrigation and a model country in irrigation of which we can boast to the world.

Large quantities of various modern farm machines suited to the geographical conditions of Korea and the characteristics of agricultural production have been produced and supplied to the countryside, bringing the comprehensive mechanization of agriculture to a high level where all farm work from plowing and sowing to harvesting and thrashing can be done with machines.

In the period of the plan, the amount of the supply of chemical fertilizers to agriculture has increased 40 percent.

The brilliant achievements in agricultural development are a great stride forward in laying material and technical foundations to free the peasants from difficult and toilsome work by industrializing agriculture, develop agricultural production to a high degree, gradually turn cooperative ownership into all-people ownership and remove the distinctions between the working class and the peasantry.

Big efforts have also been channelled to the development of fisheries to further consolidate its material and technical foundations.

Transport has been further developed and the electrification of the trunk railway lines have been completed in the main.

In this period, construction has gone ahead on a vast scale with the investment of scores of billions of won in capital construction.

The construction of major objects including power bases, metal industrial bases and chemical industrial bases has been pushed ahead through grand construction campaigns to attain the new long-term objectives of



socialist economic construction. In the industrial field alone, more than 11,000 projects have been completed and commissioned.

Monumental edifices of the Workers' Party age including the monument to the victory in the fatherland liberation war have been erected in large numbers in the revolutionary capital of Pyongyang and some 3,200 educational, cultural and health institutions and public service facilities built throughout the country under the wise guidance and grand construction plan of our party.

Dwelling houses for more than one million households have been built in towns and villages across the country.

Progress has been made in science, education, culture and health care through a vigorous socialist cultural construction.

Our scientists and technicians have successfully fulfilled the plans for the development of science and technology in several stages to greatly contribute to making the national economy *chuche*-oriented, modernized and scientized and develop science and technology of the nation.

The 1987-1993 period has witnessed the introduction of over 12,000 items of valuable inventions and hundreds of thousands of innovation and rationalisation proposals in various domains of the national economy.

In the field of education, the qualitative level of the universal 11-year compulsory education has been enhanced, 55 universities and many new colleges of technologies have been founded and the number of our intellectuals has grown to 1.73 million under "Theses on Socialist Education" and the party's policy of making the all members of society intellectuals.

In the field of culture and art, the ideological and cultural infiltration of the imperialists has been checked strictly and our party's *chuche*-based idea and unique policy of literature and art implemented successfully with the result that many literary and art works of high ideological and artistic value have been produced and they are educating the working people on revolutionary lines and powerfully encouraging them in the fruitful efforts to accomplish the revolutionary cause of *chuche*.

In the field of health care, the party's prophylactic policy has been implemented to the letter and medical care for the working people improved.

In 1993, the number of doctors per 10,000 heads of population has reached 29.7 and the life expectancy at birth of the working people risen to 74.5 years.

In the period of the plan, the people's standard of living has been improved and our people lead a more worthwhile and happier life.

In this period, an epoch-making popular measure was taken to drastically increase the wages of the workers and office employees and the pensions of social security and

the scholarships of university and college students more than 40 percent and markedly raise the purchase prices of agricultural produce to increase the income of the cooperative farmers on the basis of the achievements made in socialist economic construction.

Various communistic measures such as the most advantageous free compulsory education, the universal and completely free medical care and the advanced social security system have been enforced more satisfactorily.

Today all our people enjoy the worth of life and happiness under the socialist system of Korean style, free from any social and political uneasiness, threat of unemployment and poverty and worries about livelihood.

All the achievements made in the fulfilment of the third seven-year plan are results of the wise guidance of the great leader Comrade Kim Il-song and our party and a precious fruition of the might of the singlehearted unity of the leader, the party and the masses.

These brilliant achievements are a powerful demonstration of the undisputed superiority and might of our socialist system not affected by any economic blockade of the imperialists and the fluctuation of the international situation, and a clear proof of the vitality of our socialist economy which develops in a planned way on an independent foundation.

In the course of the efforts to fulfil the third seven-year plan, we could gain greater strength to increase the political, economic and military might of the nation and guarantee the prosperity and development of the country and the happy life of the people.

Today we are faced with the honorable task to consolidate the achievements made in the fulfilment of the third seven-year plan and push ahead with socialist economic construction so as to further increase the might of Korean-style socialism and give fuller play to its superiority.

Our party, on the basis of a profound analysis of the changed situation and actual demands of socialist construction in our country, has set two or three years to come as a period of adjustment in socialist economic construction and put forward a strategic policy of directing primary efforts to agriculture, the light industry and foreign trade in this period.

We will increase state investments in agriculture, the light industry and foreign trade and powerfully accelerate their development in accordance with the revolutionary economic strategy set forth by the party and further increase the independence and might of our economy.

Although the internal and external situation remains grim and complex and our people have to fight a difficult and arduous struggle, our prospect is bright and optimistic and our strength is inexhaustible.



We have the tested leadership of the great party and the strength of the popular masses united rock-firm around the party in one ideology and purpose.

We have a powerful socialist independent national economy and rich natural resources which enable us to feed, clothe and shelter ourselves with our own efforts under any circumstances.

No political and ideological offensive, economic blockade and military threat on the part of the imperialists and reactionaries can ever frighten the Korean people and no force on earth can block them from advancing under the leadership of the party.

### 2-3 Year Period for 'Adjustment'

*SK0912050193 Pyongyang KCNA in English  
0449 GMT 9 Dec 93*

[Text] Pyongyang, December 9 (KCNA)—The Workers' Party of Korea, on the basis of a profound analysis of the changed circumstances and actual demands of the socialist construction in our country, set two or three years to come as a period of adjustment in socialist economic construction and put forward a strategic policy of directing primary efforts to agriculture, the light industry and foreign trade, according to the communique of the plenary meeting of the WPK Central Committee on the fulfilment of the Third Seven-Year Plan (1987-1993). The communique says:

We will increase state investments in agriculture, the light industry and foreign trade and powerfully accelerate their development in accordance with the revolutionary economic strategy set forth by the party and further increase the independence and might of our economy.

We have a powerful independent socialist national economy and abundant natural resources enough to meet the demands for food, clothing and housing by our own efforts under whatever circumstances.

No political and ideological offensive, economic blockade and military threat on the part of the imperialists and reactionaries can frighten our people and no force on earth can block their advance under the leadership of the party.

### Sixth Session of Ninth SPA Opens 9 Dec

*SK0912101193 Pyongyang KCNA in English  
1002 GMT 9 Dec 93*

[Text] Pyongyang, December 9 (KCNA)—The Sixth Session of the Ninth Supreme People's Assembly (SPA) of the Democratic People's Republic of Korea opened here today.

The great leader President Kim Il-song and the dear leader Comrade Kim Chong-il were present at the session.

The following agenda was adopted at the session:

1. On further improving the work of properly inheriting and developing the national cultural heritage.
2. On the adoption of law on construction of the DPRK.
3. On the endorsement of laws adopted by the SPA standing committee of the DPRK during the recess of the SPA.
4. Organizational matter.

At the session deputy Kim Ki-nam, secretary of the Central Committee of the Workers' Party of Korea, made a report on the first agenda item "on further improving the work of properly inheriting and developing the national cultural heritage."

### Leadership Attending Session Noted

*SK0912112493 Pyongyang Korean Central  
Broadcasting Network in Korean 1005 GMT 9 Dec 93*

[Text] The Sixth Session of the Ninth Supreme People's Assembly (SPA) of the DPRK opened at the Mansudae Assembly Hall on the afternoon of 9 December, under the magnificent circumstances in which, taking great pride and confidence in successfully summing up the implementation of the Third-Seven Year project under the wise leadership of the party and the leader [suryong], the entire people throughout the country are vigorously accelerating the revolutionary march to bring about a new upsurge in socialist construction and firmly defend and safeguard and further glorify the chuche-oriented socialism.

Deputies of the Supreme People's Assembly were present at the session.

Present were functionaries of the party power organizations, administrative and economic organizations, and social organizations; and functionaries of the fields of science, education, culture and art, public health, and publications and press. Also present were functionaries of the General Association of the Korean Residents in Japan, who are staying in the socialist fatherland. They attended the session as observers. [applause]

DPRK President Comrade Kim Il-song, the great leader of our party and people, appeared at the presidential rostrum. The dear leader Comrade Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the Korean People's Army (KPA), also appeared at the presidential rostrum. Present on the presidential rostrum were Comrade O Chin-u, member of the Presidium of the Workers Party of Korea (WPK) Central Committee Political Bureau and minister of the People's Armed Forces; Comrade Yi Chong-ok and Comrade Pak Song-chol, members of the WPK Central Committee Political Bureau and vice presidents; Comrade Kang Song-san, member of the WPK Central Committee Political Bureau and premier of the Administration Council; Comrade Kim Yong-chu, member of the WPK Central Committee Political Bureau; Comrade Kim Yong-nam, member of the WPK



Central Committee Political Bureau and vice premier of the Administration Council; Comrade Choe Kwang, member of the WPK Central Committee Political Bureau and chief of the General Staff of the KPA; Comrade Kye Ung-tae, Comrade Chon Pyong-ho, Comrade Han Song-yong, members of the WPK Central Committee Political Bureau and secretaries of the party Central Committee; Comrade So Yun-sok, member of the WPK Central Committee Political Bureau, responsible secretary of the South Pyongyang Provincial Party Committee and chairman of the South Pyongyang Provincial People's Committee; Comrade Kim Chol-man, alternate member of the WPK Central Committee Political Bureau; Comrade Choe Tae-pok, alternate member of the WPK Central Committee Political Bureau and secretary of the party Central Committee; Comrade Choe Yong-nim and Comrade Kang Hui-won, alternate members of the WPK Central Committee Political Bureau and vice premiers of the Administration Council; Comrade Yon Hyong-muk, alternate member of the WPK Central Committee Political Bureau and responsible secretary of the Chagang Provincial Party Committee and chairman of the Chagang Provincial People's Committee; Kim Pyong-sik, chairman of the Central Committee of the Korean Socialist Democratic Party; Yu Mi-yong, chairman of the Central Committee of the Chondoist Chongu Party; members of the Central People's Committee; and members of the Standing Committee of the Supreme People's Assembly. The chairman and vice chairmen of the SPA were seated on chairmen's seats.

Yang Hyong-sop, chairman of the SPA, made an opening address. The following agenda was adopted at the session.

1. On further improving the work of properly inheriting and developing the national cultural heritage.
2. On the adoption of a law on the construction of the DPRK.
3. On the endorsement of laws adopted by the SPA Standing Committee of the DPRK during the SPA's recess.
4. On an organizational matter.

The session began to discuss the first agenda item. Deputy Kim Ki-nam, secretary of the WPK Central Committee, made a report on the first agenda item on further improving the work of properly inheriting and developing the national cultural heritage.

#### **Kim Il-song, Kim Chong-il Meet 'Frontrankers'**

*SK0912060293 Pyongyang KCNA in English  
0554 GMT 9 Dec 93*

[Text] Pyongyang, December 9 (KCNA)—The great leader President Kim Il-song and the dear leader Comrade Kim Chong-il today met and congratulated the participants in the national meeting of frontrankers in beautiful communist traits.

The participants in the meeting welcomed President Kim Il-song enthusiastically with a stormy cheer "hurrah!"

Accompanying them are Presidium member of the Political Bureau of the C.C. [Central Committee], the Workers' Party of Korea and Minister of People's Armed Forces O Chin-u, Politburo member of the C.C., WPK and Premier of the Administration Council Kang Song-san, Politburo members of the C.C., WPK and Vice Presidents Yi Chong-ok and Pak Song-chol, Politburo member of the C.C., WPK Kim Yong-chu [Kim Il-song's younger brother] and other party and state cadres.

President Kim Il-song congratulated the participants in the national meeting of frontrankers in beautiful communist traits upon having greatly contributed to strengthening the singlehearted unity of the Korean people and accelerating the cause of socialism by displaying noble ideological, spiritual and moral traits with intense loyalty to the party and warm love for and devotion to the motherland and people, the collective and comrades, and had a souvenir picture taken with them.

#### **Daily Stresses Faithful Loyalty to Party**

*SK0812235593 Pyongyang Korean Central  
Broadcasting Network in Korean 0200 GMT 7 Dec 93*

[NODONG SINMUN 7 December editorial: "Let Us Uphold the Party Faithfully"]

[Text] Today, the socialist cause is advancing victoriously in our country. Although imperialists and reactionary forces are viciously maneuvering to stifle [apsal] our country that is advancing under the banner of socialism, our people are successfully carrying out the revolution and construction without the slightest wavering.

It is our country's proud look that all the people firmly trust the party and uphold the party's leadership faithfully. By further displaying our people's lofty revolutionary trait of upholding the party, we should consolidate the single-hearted unity of the leader, the party, and the masses and should consummate the *chuche* socialist cause.

The dear leader Comrade Kim Chong-il noted: There should be no change in our attitude and position of upholding the party and the leader whether in time of peace or severeness. We should trust, follow, and uphold the party and the leader faithfully.

To be faithfully loyal to the party and the leader is the loftiest communist trait that the people carrying out the revolution should have. The people, who are carrying out the revolution, struggle while making it their revolutionary duty to entrust their destinies to the party and to be always loyal to the party and the leader wherever they are.



To trust and uphold the party faithfully is our people's lofty revolutionary trait. Our people are revolutionary and faithful to the party boundlessly. All our people, regardless of their sex and age, are struggling with confidence in the party and the leader, to whom they entirely entrust their destinies.

Our people uphold the dear comrade leader whether they are happy or in difficulties. Holding firm resolution to defend the party death-defyingly under any difficult circumstances, our people devote all their youth and lives to keep the resolution. The more difficult and complicated the situation they face, the more they trust only the party to overcome any stormy circumstances. This is our people's firm will.

Our people's revolutionary trait of upholding the party and the leader faithfully has greatly been displayed in advancing the laudable communist traits under the slogan, "One for all, and all for one."

As demonstrated vigorously through the recent national meeting of frontrankers in laudable communist traits, our people's noble trait of devotedly struggling for the party and the leader and of sacrificing all that one has for the society and one's group is fully advancing today.

It is a great victory of our party's *chuche* idea and its people-oriented politics and a brilliant result of the people's faithful loyalty to the party and the leader that our working people are greatly displaying their laudable communist traits and that the number of frontrankers, who live and work in a communist way, is ever increasing. Miracles and innovations in our country, which strike the people of the world with admiration, are not thinkable without the lofty revolutionary spirit of our people who desire to sincerely carry out the revolution while trusting the party.

No matter how desperately the imperialists and reactionaries run wild to put political and military pressure as well as economic sanctions on our country and to suffocate us, they can never block the vigorous advance of our people who are struggling under the leadership of the party and the leader.

The advance of the entire party and all the people, who uphold the banner of the revolutionary spirit of self-reliance and fortitude with single-hearted unity around the leader [yongdoja], guarantees firmly the victory of our socialist cause.

To be faithfully loyal to the party and the leader is our people's traditional revolutionary trait. The history of our party's honorable struggle under the *chuche* banner is the one decorated with trust, loyalty, love, and filial piety between the party and the people and between the leader [suryong] and fighters.

Our revolution went its way through the unprecedentedly arduous anti-Japanese revolutionary struggle by using the might of trust, loyalty, love, and filial piety between the party and the people and between the leader

and fighters. With the might, it also created brilliant successes and miracles, which were unparalleled in history, in building a new fatherland, in the severe fatherland liberation war, in the postwar reconstruction, and in socialist construction.

The long history of the Korean revolution and today's realities clearly prove that the faithful loyalty to the party is the source of the infinite might that propels our revolution.

We can resolutely safeguard and defend the socialist cause of our own style as well as win a great victory in its achievement by sternly smashing the maneuvers of the imperialists and reactionary forces if only we, as did in the past, vigorously struggle for the cause, thus cherishing deep into our hearts the single-hearted mind of loyalty that absolutely trusts in and follow the dear leader Comrade Kim Chong-il.

All party members and working people must, first of all, more strongly cherish in their hearts a firm faith that the socialist cause, a *chuche* revolutionary cause, can be surely victorious as long as the leadership of the dear leader Comrade Kim Chong-il exists.

Men must live with faith and will. Cherishing faith and will is of utmost importance for the people who are carrying out the revolution. The absolute trust in and a firm revolutionary faith on the leader [yongdoja] is a basic source, enabling us to go through various hardships arising in carrying out the revolution with a single-hearted mind of loyalty.

All party members and working people must cherish a firm confidence in the bright prospect of our revolution that has been advancing under the leadership of the great leader [yongdoja]. Also, they must cherish an invincible faith in the might of our politics, economy, and military. By so doing, they must become resolute fighters who uphold the party and the socialist cause.

We must struggle for the socialist cause under any circumstances by firmly cherishing an unchanged faithfulness and single-hearted mind of revolutionaries who once made a pledge. The invincible faith in the victory of the revolution can come from the hearts of our people who attained the greatness of the leader [yongdoja].

All party members and working people must cherish more deeply in their hearts a great dignity and pride of upholding the dear leader Comrade Kim Chong-il—the great leader [yongdoja] of the people, outstanding ideologist and theorist, great politician, and prominent military strategist—who has both literary and military accomplishments and who is both loyal and filial. Also, they must continue to glorify their pride of being revolutionary fighters for him.

In particular, we must vigorously embark forever on the single road of the revolution, while firmly cherishing deep in our hearts a rock-like faith that one can win victory only if one moves forward under the leadership



of the dear comrade leader, thus grasping for today's brilliant reality of our revolution that is constantly and victoriously advancing in a sharp confrontation with the imperialists.

Our endless loyalty—which is single-heatedly upholding the leadership of the party and the leader—must be vigorously displayed in endlessly safeguarding and glorifying the single-hearted unity of the party and the revolutionary ranks centering on the dear leader Comrade Kim Chong-il.

The revolution means unity. Revolutionaries' faith can be proven and displayed by a struggle of adhering to the single-hearted unity.

For our people who have to embark on the long distance of the revolution under the leadership of the party, there is nothing more important than that of strengthening the single-hearted unity, the great and ever-victorious banner of our revolution.

All party members, working people, and People's Army officers and soldiers must resolutely safeguard and defend a center of the unity of our revolutionary ranks with the spirit and vigor displayed during the past semi-war state in which they rose up as one with a firm determination to become rifles and bombs that will safeguard the dear comrade leader.

We must regard it as our unbreakable and iron role to think out each thought along the line of the leader's [yongdoja] idea and will and to implement one hundred things according to the party's plan and will. Also, we must more thoroughly cherish a revolutionary ethos in which the entire party, all people, and the entire army unanimously move under the leadership of the dear comrade leader.

Today the work of strengthening the single-hearted unity of our revolutionary ranks cannot be possible apart from a struggle to further expand or develop the sacred communist virtue, which is displaying throughout the society.

All party members and working people must follow the sacred examples of the communist virtue frontrankers who stirred up the times and warmed the hearts of the people. As a result, they must devote everything for the party, the leader [suryong], the fatherland, and the people and adhere to the single-hearted mind of loyalty and dutifulness.

All party members and working people must prepare to become the sacred communist revolutionaries who can totally devote their all efforts, wisdom, and vigor to implementing the leader's [yongdoja] sacred intent, while singing a song, the song of loyalty and faith, entitled "There Is No Fatherland If You Are Not."

Another important factor for our party members and working people to faithfully uphold the party is to ceaselessly elucidate the leadership achievements of the party and the leader [suryong] through their actual

struggles. To genuine revolutionary fighters who fight on entrusting their destiny and future to the leader [yongdoja], and to people who respect and admire the leader [yongdoja] as a life-saver and father [oboi], it is the most sacred duty to elucidate the achievement of the party and the leader [suryong].

All the party members and working people should cherish, firmly adhere to, and elucidate generation after generation the immortal ideological, theoretical achievements and lofty leadership achievements of the party and the leader [suryong] as ageless treasure of our revolution.

Today in our country, there are countless unknown patriots and men of merit who are always silently working to implement the ideology and intention of the dear comrade leader in mines thousand miles underground, remote mountain villages, farms, sea villages, and in nameless work sites that no one is paying attention to, in any weather extremes. They are the genuine revolutionary soldiers who elucidate the party's leadership achievements with faithful loyalty.

All the party members and working people should firmly trust only the party anytime, anywhere, and devotedly fight on to ceaselessly elucidate for generations the leadership achievements of the party and the leader [suryong] concerning their own divisions and units.

Particularly, it is important for cadres, who are the commanding members of the revolution, to highly demonstrate their loyalty through actual struggles. Leading functionaries should lead the masses to new revolution and feats by showing the exemplary deeds of leading the way in elucidating the party's achievements no matter how difficult the work is.

In order to faithfully uphold the party, it is important for us to inherit the proud tradition of loyalty in our revolution embroidered with loyalty and filial piety. Anti-Japanese martyrs, who are brilliantly shining as examples of loyalty, were invincible soldiers who defended the leader [yongdoja] by blocking bombs with their bodies, and vigorous fighters who implemented the leader's [yongdoja] commands and orders without the slightest disobedience.

All the party members and working people should always be vigorous and thorough in the struggle to uphold the party and the leader [suryong] as did the anti-Japanese fighters who adhered to the end to the revolutionary fidelity shouting they could see the victory of the revolution when their eyes were lost, and the heroes of the fatherland liberation war who bravely dashed out shouting hail the general Kim Il-song in the battlefields where their lives were at stake.

Comrade Yi In-mo is a good example of faithful loyalty that we should learn and follow today. In the poem and lyrics Comrade Yi In-mo dedicated to the dear comrade leader, there is the lofty mental world of upholding the party with faithful loyalty. All the party members and



working people should follow and learn the noble traits of Comrade Yi In-mo's who has kept to the end the revolutionary's fidelity in all sorts of temptation and brutal tortures, and vigorously march forever on the road to loyalty.

It is the most important mission for party organizations of various levels to foster party members and working people to become genuine revolutionaries who uphold our party to the end. All the party organizations should further deepen and develop the indoctrination work to firmly establish the revolutionary view of the leader [suryong], in conformity with the demands of the development in reality, among party members and working people, and lead them so that they bear unchanged faithful loyalty under any circumstances.

Particularly, the indoctrination work to deeply learn the greatness of the ideology, leadership, traits of the dear comrade leader should be strengthened.

When the task we are faced with is becoming broader and when antisocialist maneuvers of imperialists are being more strengthened, we should endlessly deepen the faith indoctrination for the party members and working people.

The victory of our people, who are waging a struggle with overflowing faith and combat spirit under the leadership of the dear leader Comrade Kim Chong-il, is firm and solid. Let us all more firmly bear faithful loyalty in the party, and vigorously fight on to the end to complete the chuche-oriented socialist cause.

### South Korea

#### UN Secretary General To Visit South, North

SK0912024593 Seoul YONHAP in English 0207 GMT  
9 Dec 93

[Text] United Nations, Dec. 8 [as received] (YONHAP)—UN Secretary-General Butrus Butrus-Ghali will visit Seoul on Dec. 22-24 and then travel to Pyongyang on an official visit, one of his aides said Wednesday.

Negotiations on the visit were proceeding well, Alvard de Soto, a political adviser to Butrus-Ghali, said. De Soto said Butrus-Ghali was going to Pyongyang at the invitation of North Korea, which is a UN member. He denied the possibility of the UN leader playing as a mediator in talks over the North Korean nuclear issue.

The nuclear issue is being dealt with in talks between North Korea and the International Atomic Energy Agency and between North Korea and the United States, and should be handled by the Security Council but not by the secretary-general, de Soto said. He, however, suggested the possibility of Butrus-Ghali playing a certain role in the resolution process in his personal capacity and said the nuclear issue is on the agenda of his meeting with North Korean leaders.

A highly-placed official on the South Korean Mission to the United Nations said it was unlikely Butrus-Ghali would mediate in the North Korean nuclear issue because it is being dealt with in negotiations between the parties concerned. North Korea, which is demanding direct talks with the United States, will not want him to play such a role, he added.

The secretary-general will convey to North Korean leaders the international community's position and mood on the nuclear issue, including resolutions by the UN Security Council and International Atomic Energy Agency, the official said.

His visit to Pyongyang when diplomatic efforts to settle the North Korean nuclear issue have made little progress and the imposition of UN sanctions appears imminent opens the possibility he will act as a go-between.

A UN source, noting that the U.S.-North Korea talks are at a level below vice minister, said there is a possibility the U.S. Government will use the visit to convey a message to Kim Il-song.

Butrus-Ghali said in a speech at the U.S. Military Academy last month that Kim Il-song had rejected his request for a visit, suggesting that he planned to visit Pyongyang some time ago.

Butrus-Ghali will be the first UN leader to visit Pyongyang in 14 years and the first ever to visit Seoul. Kurt Waldheim made a brief stop in Pyongyang in 1979.

#### 'Concern' at UN Chief's Visit to DPRK

SK0912031993 Seoul YONHAP in English 0246 GMT  
9 Dec 93

[Text] Seoul, Dec. 9 (YONHAP)—South Korea expressed both hope and concern Thursday at a visit by UN Secretary-General Butrus Butrus-Ghali to North Korea, stating only that the decision to make the trip was entirely up to the top UN official.

"Our position was and is that Butrus-Ghali's North Korean visit is favorable if it will contribute to solving Pyongyang's nuclear situation," a well-informed official said on condition of anonymity.

"But we are concerned that North Korea may try to use the visit for political propaganda," he said. "It is entirely up to Butrus-Ghali to weigh the situation and decide whether to go to North Korea."

Butrus-Ghali was promised direct talks with supreme leader Kim Il-song and is likely to report the results of his trip to the UN Security Council afterwards, he said.

Aides have said that the secretary-general plans to go to Pyongyang after visiting Japan and South Korea later this month and the official said the Seoul Government would have no problem if he wanted to cross through the truce village of Panmunjom to go to Pyongyang.



It was actually Seoul that first proposed back-to-back South and North Korea visits when Foreign Minister Han Sung-chu met with Butrus-Ghali in late March at the United Nations.

Pyongyang reacted negatively to the idea at the time, but it changed its mind and invited Butros-Ghali about a month ago while Japan and South Korea were preparing to receive him.

Observers here say Butrus-Ghali's Pyongyang trip would help the nuclear situation even if no substantive progress comes out of the visit since the secretary-general had direct contact with North Korean leadership.

Such contact will be valuable in the UN handling of the problem in the coming weeks, they say.

#### **Minister's Remarks to CNN on North Noted**

*SK0912074193 Seoul YONHAP in English 0723 GMT  
9 Dec 93*

[Text] Seoul, Dec. 9 (YONHAP)—South Korean Foreign Minister Han Sung-chu, describing the situation as "coming toward the end of the fire," warned North Korea on Thursday it hasn't many more opportunities to deal diplomatically with its nuclear situation. Current efforts for dialogue are based on the belief that North Korea is willing to use the nuclear suspicion to get the best bargain possible, Han said in an interview with CNN in Seoul.

"And so we are taking this dialogue route, we are trying to persuade them, trying to use both incentives and disincentives," Han said. His message for North Korea is simple, he said.

"We are really coming toward the end of the fire, and we don't have much time. And we're not going to have many opportunities to deal with this issue through a dialogue."

There is no specific date nor hours to a deadline for solving the North Korean nuclear problem, but two deadlines are surely approaching, he told CNN.

One, which will come "much sooner," is the International Atomic Energy Agency (IAEA) safeguards, and the other is the time limit on special inspection requirements.

Special inspection, demanded for the first time ever by the U.N. nuclear watchdog agency, on two suspected nuclear sites and North Korea's refusal were the key confrontation between the two sides until March, when the Stalinist state announced it was leaving the Nuclear Non-proliferation Treaty (NPT).

The bombshell announcement turned back the clock, the key confrontation is now getting North Korea to allow the same level of inspection as before its threat of NPT withdrawal.

IAEA Director-general Hans Blix told an agency board meeting earlier this month that the safeguards on North Korea may soon be broken because of the inspection hiatus.

"...I don't think we have several months as far as this IAEA deadline is concerned," Han told CNN.

A deadline on special inspection "certainly would come..." he said. "I don't think that deadline would come within two or three weeks, but that has not gone away."

On the much-discussed possibility of a package deal between Pyongyang and Washington, the foreign minister repeated that it is not yet the stage to consider it.

"...What would actually go into the packages, when we come to a stage of discussing such a possibility, we will deal with it at that point. But I think it is much too early to talk about what would or would not go into those packages."

On recent talk of enhancing the U.S. military presence in South Korea because of the nuclear crisis, Han said current deterrent and defensive capabilities are adequate.

"At this moment, I think we can maintain the present readiness and capability," he said.

#### **New Head of DPRK Planning Commission Profiled**

*SK0912061893 Seoul CHOSON ILBO in Korean  
9 Dec 93 p 2*

[Profile of Hong Sok-hyong, North Korea's new chief state planner, by reporter An Hui-chang]

[Text] Hong Sok-hyong, who was named the chairman of the State Planning Commission on 8 December, is a grandson of Hong Myong-hui, an author of 'Yim Kkok-chong,' and a son of Hong Ki-mun (deceased July 1992) who had assumed the post of the vice chairman of the Academy of Social Sciences. His personal history and character, however, are little known to outside analysts and the exact date of his birth is not known.

Hong Sok-Hyong had worked as first deputy minister of metal industry and was dismissed during reorganizing Administration Council setups in 1985. He, however, was named as an alternate member of the Central Committee of the Workers' Party of Korea three months later in February, 1986, and worked as a responsible secretary of Kimchaek Iron Mill.

He is in his early-sixties and has deep knowledge on various fields of basic sciences, including metals. His appointment to a post formerly assumed by such heavy-weights as Choe Yong-nim and Kim Tal-hyon was intended to fill this post with a person who has rich field



experiences. North Korea had emphasized "theories" in mapping out economic plans and plans to promote science and technology.

**Daily on Reinstatement of DPRK's Kim Yong-chu**  
*SK0912090493 Seoul CHUNGANG ILBO in Korean*  
9 Dec 93 p 4

[By reporter O Yong-hwan: "Background on the Reinstatement of Kim Yong-chu in North Korea"]

[Text] On 8 December, North Korea appointed Kim Yong-chu, Kim Il-song's younger brother, as member of the Workers Party of Korea [WPK] Central Committee Political Bureau. Thus, people are paying attention to the background of his reinstatement and to the possible changes in North Korea's power structure.

Kim Yong-chu, who was even once informally designated [chimok] as the successor to Kim Il-song, disappeared from the political scene after attending the Fifth Session of the Fifth Supreme People's Assembly in April 1975. However, he made his appearance again in the event of marking the 40th anniversary of the war victory on 26 July this year after 18 years since he retreated from the power structure.

Nevertheless, a convincing observation is that his reinstatement as a member of the WPK Political Bureau—the kernel of power in North Korea—does not necessarily mean that he has formed a certain political faction within North Korea's power structure. In other words, his reinstatement was made merely as a matter of courteous treatment, although he was known to be in conflict with Kim Chong-il, because Kim Chong-il's power inheritance system took firm root.

A relevant government official observed that recalling Kim Pyong-il, Kim Chong-il's half brother, and relieving him from the post of North Korean ambassador to Bulgaria, has something to do with the reinstatement of Kim Yong-chu and that all these steps were taken as "generous tolerance" of family members.

In other words, the reinstatement of Kim Yong-chu was prompted by the view that his reinstatement will not work as a stumbling block in Kim Chong-il's power inheritance system. This observation was supported by the fact that his reinstatement was carried out at a time when the work of idolizing Kim Chong-il has reached its peak.

This observation has also persuasive power based on the fact that Kim Song-ae, Kim Chong-il's stepmother who was known to be in discord with Kim Chong-il, appeared in the plenary meeting of the North Korean Women's Union and highly praised Kim Chong-il.

This government official said that the reinstatement of Kim Yong-chu, the summons of Kim Pyong-il, and the like mean that the work of removing stumbling blocks in the Kim Chong-il's power inheritance system has now

entered the stage of "accepting them with magnanimity," thus proving that Kim Chong-il's inheritance system has become firm and solid.

Other people interpret his reinstatement to be part of a plan to use him as a special envoy in relations with South Korea.

Kim Yong-chu moved into the limelight when he was promoted to the post of the chief of the party's Organization and Guidance Department at the Fourth Congress of the Workers Party in 1961 to take charge of the party's organizational and personnel affairs. He became a member of the party's Political Bureau and party secretary in November 1970. Therefore, he was considered to be Kim Il-song's successor. With Kim Chong-il's rise to the fore in 1973, however, the decline of Kim Yong-chu began with his demotion to the post of vice premier of the Administration Council. He disappeared from the official scene in 1975.

Although Kim Yong-chu came into the spotlight by secretly meeting with Yi Hu-rak, then chief of South Korea's Central Intelligence Agency, [in Pyongyang] while he was the North side's chairman to the North-South Coordinating Committee, he did not visit South Korea. Vice President Pak Song-chol visited Seoul, in his place.

Another noteworthy fact in North Korea's reshuffle is the extraordinary promotion and appointment of Hong Sok-hyong as chairman of the State Planning Commission.

Hong, who had been chief secretary of the Kim Chaek Steel Mill's party committee, was promoted from candidate member of the party Central Committee to candidate member of the Political Bureau. The appointment of Hong as chairman of the State Planning Commission is said to reflect North Korea's intention to use his abundant field experience in mapping out economic plans. Thus far, North Korea has only stressed theories in economic planning.

The appointment of Hong as chairman of the State Planning Commission indicates that Kim Tal-hyon, who had been managing state economic plans, was relieved from his post due to poor job performance. This is clearly supported by the fact that on 8 December, North Korea announced that it had failed to fulfill major targets of its Third Seven-Year Plan. The Korean Central News Agency monitored in Tokyo said: "The North Korean economy has suffered grim trials and is in a serious state." Furthermore, North Korea stated that "instructions were given to set aside a certain period for adjustments during which, top priority would be given to reinvigorating agriculture, the light industry, and trade."

It is generally agreed that despite the shuffle in the post of chief of the State Planning Commission, North Korea's policy on opening up will continue.



### **Engineer Unit To Return From Somalia as Planned**

*SK0912125693 Seoul YONHAP in English 1230 GMT 9 Dec 93*

[Text] Seoul, Dec. 9 (YONHAP)—Vice Foreign Minister Hong Sun-yong said on Thursday afternoon that the South Korean engineer unit now in Somalia as part of the U.N. peace keeping operation (PKO) will be taken home next July as planned despite the Somalia-stationed U.N. Command's call for extended stay of the unit.

While meeting with reporters at Kimpo Airport on his return home from a visit to African countries, Hong said the U.N. Command there wanted the Korean engineer unit to remain there beyond the withdrawal schedule Korea has set.

"But, I told them that our unit cannot stay there longer than next July because our people's sentiments do not allow it," he said.

The vice minister said the U.N. Command wants the Korean engineer unit would remain there until the original mission of the U.N. Command is accomplished.

"I have received the impression that that time would be around February 1995," he said.

### **Kim Yong-sam 'Special Statement' on Rice Market**

*SK0912020993 Seoul KBS-1 Television Network in Korean 0100 GMT 9 Dec 93*

['Special Statement' by President Kim Yong-sam at presidential offices of Chongwadae on 9 December—live]

[Text] Dear fellow countrymen: As the president, I made the best efforts I could afford to, to protect our rice up to now. However, deeply realizing a sense of responsibility for having failed to keep my promise to the people, I sincerely apologize to you, the people, for this. I am even more sorry to all fellow countrymen across the country who have extended support in protecting our rice. Our government and myself proceeded with the faith of protecting rice by all means and made all possible efforts.

Many countries were in the same situation as our country. However, our country was the only one that made grimly determined efforts to adhere to a position to a degree which may even be called foolish. Indeed, we have come to the edge of a cliff where we may be isolated internationally. We had to make a decision at the edge or we would lose everything.

At the crossroads of either withdrawing from the General Agreement of Tariffs and Trade [GATT] to live alone as an international orphan or accepting the GATT system to advance into the future world of internationalization, I, as president, agonized over the nation's interests during many sleepless nights. At the crossroads,

I had no choice but to seek competition and cooperation amid the GATT system rather than to opt for isolation in the international community.

I thought that as our country has no natural resources, we had no choice but to develop our economy and promote national wealth through free trade. We would neither survive nor develop once we became international orphans. Rather than closing up the country, opening up and developing it was the only way since our nation's fate depends on openness and reform.

Considering the conditions we have now, it is certain that our gain is greater than our loss in the settlement of the Uruguay Round. I made the decision thinking that this was a desperate situation from which there was no other way out. The settlement of the Uruguay Round [UR] negotiations is certainly a trial for our nation. I believe firmly, however, that if we overcome this trial, it will be a turning point for our nation. I believe that if the fellow countrymen fully understand the circumstances that we face now, they would understand the difficulties and trials that I faced.

Furthermore, I truly regret that in order to negotiate on better terms, our government was not able to provide details on our efforts and countermeasures against trends at the UR negotiations. Although I cannot provide all the details, I and the government can assure that we have exerted hidden efforts and made all the efforts possible to mobilize every possible means and method to save our rice, the flesh and blood of our nation.

It is absurd to claim that the government opted to open the rice market even when there was a way out. If there was anyone who knew of a way out, I would not have hesitated to appoint that person to be our representative to the UR negotiations. I report to you, my fellow countrymen, that the government continues to do its best, even at this moment, to gain an advantage at the UR negotiations.

Dear fellow countrymen, I sincerely apologize to you once again for not completely blocking the opening of the rice market. I fully understand the disappointment and pains felt by the fellow countrymen of this country, including the cries of farmers opposing the opening of the rice market.

This reminds me of the old argument between the Chuhwa and Chokhwa factions during the Manchu war of 1636 on whether they should go surrender to the foreign forces at Samjondo. Choe Myong-kil, a Chuhwa faction member, signed an agreement to surrender under the condition that this country should no longer be trampled upon by foreigners' hooves. Kim Sang-hyon, a Chohwa faction member, tore up the agreement of surrender, saying that this country could not surrender to foreigners. However, Choe Myong-kil picked up the pieces of the agreement and pieced it together. Ensuing generations said that this country needed both people who could tear an agreement of surrender as well as people who could piece together the torn pieces. I believe



that all these acts emanate from their patriotic loyalty. I also believe that the people's voices for and against the opening of the rice market emanate from their love of the country and its farmers.

The theory of dividing people into the two categories of those who advocate opening up as nation sellers and those who oppose the opening as patriots has the danger of dividing national opinion.

I think that the inevitable opening up and opposition to it should not develop into a political dispute. We should prepare ourselves for opening up by uniting our strength. We should not pick quarrels against each other by questioning who is right and who is wrong. The international community will not wait for us. People should look the world straight in its face, contemplate the future of the nation, and jointly work out measures by combining their wisdom.

If you, the people, truly understand the situation we face and my true and sincere intentions, I hope you will gather all of our strength and wisdom to wisely break through this difficult time. Facing today's fierce international competition, internal division of our national opinion and political dispute will only weaken the progressive will of our people, and we will be left behind in the great trends of change and reform in world history.

The UR negotiations are a gate that we must inevitably pass through on the road to opening up and internationalization. I hope that you will candidly accept this as an absolute and excellent opportunity for us to strengthen our international competitiveness. I also think that we should assume this as a new start to overcoming high expenses and low efficiency in all political, economic, social, and educational domains.

It is urgent for us to establish survival measures for farmers amid opening up and implement them. This work will epochally change and renovate farms. This work will renew farms, the native home and resting place for us all.

I will powerfully push ahead with the work of expediting the restructuring of farms and fisheries by distributing the interest generated from the opening up to agricultural products to the farmers, and by returning interest resulting from the UR to the farms. I will also push for comprehensive measures to reform the agricultural system and structure which includes compensation for farmers and farming land.

I will see to it that the relevant government offices and agencies substantively and sincerely implement measures for our agriculture, our farms, and our farmers, so that they can feel that this not a temporary remedy, but actual change.

I, as the president, made efforts to strengthen our agricultural competitiveness by expediting the work of improving the agricultural structure in preparation for

the UR negotiations. However, we failed to gain sufficient competitiveness to prevent the opening of the rice market. I truly deplore and regret this.

All of us, with the same zeal and patriotism displayed to keep the rice market from opening, must save our rural areas in the midst of the opening. We cannot expect the government to save our rural areas and farmers when we are not taking care of our farmers. Everyone has to share the farmers' burden which resulted from the inevitable opening. The people's justice of sharing the pain with the rural areas and farmers should be voluntarily displayed. Countermeasures, including the development of ROK-type agriculture, should be prepared.

It is a time for all of us to have the spirit of loving our agricultural products and soils, and eating our own rice. This is a country which has turned a desert into fertile soil. Just like the movement to save our wheat, we must prepare ways to save our agriculture. We can surely save our agriculture.

I again tell you that the precautions we have to take the most are against defeatism, internal division, and efforts to pass the blame on other people. As president, I frankly admit my responsibility and am determined to do everything I can.

Without being isolated from the world, we must overcome this stern international reality by joining efforts at all costs. We must not be seized with defeatism. There should no split in national opinion in the face of adversity. We must become one to overcome this trial. With a strong determination, we take this to be an opportunity to turn adversity into our advantage to ensure that we revive the economy and rebuild the rural areas. We must make sure that this is not the end of our agriculture but a new beginning of it.

I promise you that, with a sense of responsibility as president for the failure to prevent rice imports, I will work harder for the state and people to rebuild this country.

Thank You.

#### **Cabinet, Party Asked To Develop Rice Measures**

*SK0912061493 Seoul YONHAP in English 0604 GMT  
9 Dec 93*

[Text] Seoul, Dec. 9 (YONHAP)—President Kim Yong-sam instructed the government and its party to do their best and to work out concrete measures Thursday to help minimize the impact of rice market opening on the rural economy, Presidential Spokesman Yi Kyong-chae said.

Presiding over a joint meeting of key leaders of the government and the Democratic Liberal Party soon after making a statement to the nation to apologize for his government's failure to keep the rice market closed, Kim also urged the participants to seek ways to turn over tariff revenue or other types of income from rice imports



to farm households regardless whether the importation is handled by the government or the National Agricultural Cooperatives Federation.

In a related development, Prime Minister Hwang In-song told the cabinet to draw up measures to cope with rice importation in case the Uruguay Round negotiations are settled.

"Related ministries will make a comprehensive measure to practice the policy direction expressed in President Kim Yong-sam's speech," Information Minister O In-hwan quoted Hwang as saying.

"I feel sorry that we could not disclose all the details to the people on the negotiations for rice market opening so far, but I believe the people will understand the sincerity and agony of the president in connection with the rice market opening by listening to his speech this morning," Hwang said.

Meanwhile, ruling Democratic Liberal Party Chairman Kim Chong-pil was attending a seminar sponsored by the Korea Development Institute.

"If the Uruguay Round negotiation is settled, all the markets will open, including rice, and the law of the jungle in economic terms will be common, so the proper measure should be made," Kim said. "We made every effort to block rice market opening, but our call for exemption in rice market opening was not accepted."

#### **Meeting on Agricultural Reform Expected**

SK0912063093 Seoul YONHAP in English 0613 GMT  
9 Dec 93

[Text] Seoul, Dec. 9 (YONHAP)—The government is expected to convene a meeting of economic ministers soon to discuss ways to compensate farmers for any losses they suffer as a result of partial opening of the rice market to imports. The meeting will also debate improvement projects for a restructuring of agriculture following on from President Kim Yong-sam's address to the nation Thursday on the unavoidability of rice market opening.

But first of all, they will discuss the timing and fund-raising for agricultural restructuring projects for which the government had previously decided to spend 42 trillion won by 1998. The government will also work out plans to improve farm land and food administration.

Especially on the administration of farm land, the government will liberalize ownership of land, but by strictly controlling the use of land it will, in effect, stand by the principle of "letting farmers who till the land own the land."

The meeting will provide measures for strengthening the competitiveness of the farm industry.

At the same time, the government will study and carry out ways to help boost agricultural technology and exports.

With regard to compensation for farmers, the government will try to find out the most effective way by holding public hearings of scholars and politicians.

In addition, the government plans to help improve the living conditions of farmers by studying and introducing welfare programs to provide help with medical care, communications, housing, education and all other basic needs.

Finally, the government will restructure the Agriculture, Forestry and Fisheries Ministry as its present function will be inadequate to cope with farm imports.

#### **Opposition Claims Secret Deal With U.S. on Rice**

SK0912113593 Seoul YONHAP in English 1100 GMT  
9 Dec 93

[Text] Geneva, Dec. 9 (YONHAP)—A controversy developed on Wednesday afternoon after South Korean opposition lawmakers now here to protest the opening of Korea's rice market, claimed that the South Korean Government signed with the United States a secret agreement late last month on conditions of the opening of rice market.

Rep. Kim Yong-chin said at a press conference at the Korean mission in Geneva that European Community (EC) Ambassador to Geneva Tran Van Tin, while meeting with Japanese and South Korean legislators, alleged that it was a poor thing for South Korea to oppose rice market opening though it already agreed with the United States on the market opening.

Upon Kim's remarks, reporters tried to confirm the alleged statement of Ambassador Tin. But, the recorded tape of the EC envoy did not contain such remarks.

Meanwhile, the South Korean mission in Geneva asked Ambassador Tin if he had made the alleged statement. Tin's reply was that he didn't.

The Korean mission said it would make an official denial on Thursday.

A fuss occurred here at the foreign press report that South Korea's Agriculture, Forestry and Fisheries Minister Ho Sin-haeng met GATT Director-general Peter Sutherland on Wednesday and informed him that "Korea cannot accept exceptionless tariffication."

The report escalated to the speculation that "South Korea is shattering the Uruguay Round talks."

Before long, however, the press report turned out to be erroneous as Minister Ho did not meet Sutherland after all.



About 50 South Korean and Japanese farmers staged a joint demonstration against the rice market opening at the lawn of the United Nations office in Geneva Wednesday morning.

The demonstrators carrying pickets, "No minimum market access" and "Protection of rice and beef markets," shouted opposition to the rice market opening.

The demonstration failed to draw much attention because the site had sparse passers-by and besides it was raining.

Four visiting South Korean legislators hailing from the rural area met GATT Director-general Sutherland Wednesday morning to explain to him about the background that led them to stage an anti-rice market opening campaign.

Sutherland bluntly told them, "it is free whether Korea would remain at or go out of the GATT. But, South Korea should make its position clear."

In response, Rep. Kim Yong-chin chided Sutherland, saying the GATT Director-general ought to have played the role of a fair mediator but all he did was the role of a bystander.

He also complained that the Uruguay Round talks have been one-sidedly led by the United States and other major grain exporting countries at the cost of the interests of farmers of Korea and other small countries.

#### **Economic Institutes on Effects of GATT Accord**

*SK0912092693 Seoul YONHAP in English 0757 GMT 9 Dec 93*

[Text] Seoul, Dec. 9 (YONHAP)—A successful conclusion of the Uruguay Round [UR] trade talks will not only hurt Korea's rural economy but also have immense impact on its textile, footwear, petrochemical, machinery, finance and environment industries, corporate economic institutes predicted Thursday.

The Daewoo Research Institute said a surge in global trade will not necessarily lead directly to increased exports on Korea's part. It can even facilitate the collapse of a considerable number of business firms with poor competitiveness in the international market.

Small- and medium-sized light industrial firms will probably get into the position of having to close their business and thousands of manual laborers and farmers will be thrown out of work, it said.

The Samsung Economic Research Institute predicted of sharp increases in food, textile, petrochemical and machinery imports and said that service sectors like financing, accounting, legal counseling, leases, transportation and distribution are expected to suffer staggering setbacks.

The Ssangyong Research Institute cited the environment industry as one of the weakest sectors.

#### **Government Denies Intelligence Plane Plan**

*SK0912124893 Seoul YONHAP in English 1154 GMT 9 Dec 93*

[Text] Seoul, Dec. 9 (YONHAP)—The Ministry of National Defense has denied as an "unfounded rumor" a foreign press report that South Korea plans to establish an intelligence air unit and purchase a fleet of intelligence planes.

The DEFENSE NEWS, a U.S. defense journal, said in its latest issue that to cope with threat from North Korea and strengthen its air intelligence system, South Korea plans to purchase eight electronic eavesdropping and radar intelligence aircraft worth up to 1 billion dollars.

#### **Next-Generation Semiconductor Project Started**

*SK0912091993 Seoul YONHAP in English 0715 GMT 9 Dec 93*

[Text] Seoul, Dec. 9 (YONHAP)—Industry and government joined forces with academia on Thursday in a multimillion-dollar bid to win the global race to develop a 256 megabyte dynamic random access memory (M-DRAM) chip by 1997.

A committee to oversee the four-year project was set up by the Economic Planning Board, the Trade, Industry and Energy Ministry, and the Communications Ministry.

The collaborative effort builds on the four-year program for 16 and 64 M-DRAM chips initiated in April 1989 and started on Nov. 19 when an open invitation of research subjects began. Its focus is development of the technology to manufacture the chips, the material to make them, the equipment to make them and the technology to achieve 0.1 micron circuits.

The cost is estimated at 195.4 billion won (241.5 million U.S. dollars)—91.4 billion won from the government and 104 billion won from industry.

It differs from previous semiconductor development projects in content, structure, philosophical approach to development, goals, assessment management, industry and university participation, and flexibility.

In the past, the state-run Electronics and Telecommunications Research Institute was in full control and industry, universities and institutes followed its lead. But the committee formed Thursday comprises industrial experts, who will run the show, and while previous projects tried research and development of basic technology together with production, this is limited to technology development.

In contrast to past concentration on management of research and development, the committee will focus on technology management and it will work side by side with researchers for objectivity.



One of the characteristics of the project is its assessment system. When a researcher writes an assessment an appraisal board will review it and then pass it on to the research management and support institute for re-examination.

The project team has made its research subjects public and been transparent in its choice of industrial and institute participants.

It has invited contributions from universities and entrusted the 10 billion-won research fund to them in recognition of their brainpower.

By adopting a "rolling plan" it is expected to keep revising research and development goals by keeping a close eye on world technology trends.

Under this scheme, it will monitor technology currents and will invite foreign experts to speak at seminars and give lectures as well as promote technology exchanges.

#### \* Article Analyzes Military's Capability

942C0023A Seoul PYONGHWA TONGIL in Korean  
Sep 93 pp 36-61

[Article by An Sung-pom: "The Whole Picture of the ROK Military Power Looking Toward the 21st Century"]

[Excerpts] With the signing of the armistice agreement by the UN Command, the Chinese Volunteer Army, and North Korea on 27 July 1953, the artillery sound ceased, but the Korean Peninsula was reduced to ashes and the country remained divided into two. Unfortunately, many foreigners often formed their judgment of Korea on the basis of the Korean War, and this has had a decisive impact on formulating the Republic of Korea's (ROK) strategic and political outlook for these past 40 years or so. [passage omitted]

The ROK is menaced not only by North Korea's irrational policy and nature but also by the size, equipment, and deployment of its armed forces, and even by its existence itself. On the other hand, North Korea has refused every practical effort by South Korea for reconciliation for so many years. This negative reaction by North Korea makes the assumption all the more valid—the assumption that the seed of dire conflict between the two different systems still exist on the Korean Peninsula

For this reason, ROK's security policy pays foremost attention to achieving a deterrent power against North Korea by maintaining a strong military power of its own, as well as a capability to conduct joint military operations with the United States. In the past the ROK Government's "North Korea policy" was aimed at strengthening ties with other socialist countries, first to weaken North Korea's international position and then proceeding to strengthen the ROK's position. However, in the wake of the worldwide political changes in recent

years, the military and political ties between North Korea and the CIS have weakened whereas the economic, political, and military ties between the ROK and the former Soviet Union have strengthened. Against this background, the ROK's foreign policy is undergoing a visible change.

Paradoxically, however, the ROK Government is searching for ways to have North Korea play a more important role as a member of the Asia-Pacific community on the assumption that an isolated North Korea may act rashly. This policy can be implemented by encouraging Australia, the Philippines, Japan, Taiwan, the United States, and others to straighten out their relations with North Korea.

On the other hand, the arrangements under the mutual assistance and alliance North Korea signed separately with the former Soviet Union and China have undergone great changes. Only a few years ago the ROK regarded the North Korean ties with the former Soviet Union and China as a menace, but now feels that these ties will rather operate as a rein, or the "code of conduct" by which the North Korean allies can curb any rash action on the part of North Korea. Even if North Korea should attack the South, it could hardly expect any firm moral and material support from the former Soviet Union.

Inasmuch as China wants to develop friendly relations with the United States, most probably it would give no material support to North Korea, should the latter start war. [passage omitted]

Feeling that the direct threats were receding, the ROK Government began to undertake the task of reshaping its security policy. This is an outcome of the global change in the balance of power (the disappearance of the East-West division and the emergence of a three-way division, namely, the United States, Canada, and Mexico as one group and Europe and Asia as the other groups). With political and economic factors assuming greater importance than military power, South Korea has many ideas about the new role it will play in its given position. This new role includes the task of reshaping its relations with Japan so as to orient them in a more progressive direction. It is still too early to discuss an arrangement for shared regional security responsibilities in the form of a ROK-Japan-U.S. alliance. But as early as 1990, a ROK military contingent took part in the RIMPAC exercise, a major joint naval exercise, for the first time. In addition, the exchange of visits by high-level military delegations is an indication that the ROK and Japan are making efforts to improve their military and political relations.

This series of efforts is very important. Nevertheless, in the midst of these efforts the ROK cannot shake off its historical enmity toward Japan completely, and at the same time, cannot help but feel military threat from Japan. On the other hand, from Japan's security perspective, the strategic importance of the Korean Peninsula remains unchanged. Should U.S. forces suddenly withdraw from their bases in a manner it affects South Korea



immediately, the withdrawal would create a military and political vacuum, and Japan would take whatever measures necessary to fill this vacuum. Moreover, the fact that Japan's defense budget is six times larger than necessary for its own defense, as well as the debate during the Gulf War regarding UN peace-keeping operations of the Japanese armed forces, is not totally irrelevant to Korea. This raises fears that the Japanese Self-Defense Force (JSDF) could manifest its true nature under the pretext of safeguarding Japan's national interests.

To cope with the possible withdrawal of U.S. forces from Korea, the ROK Government has what it calls the "porcupine" strategy. The "bristles of the porcupine" symbolize the ROK military strength capable of defending our country against any invasion by an enemy. The enemy will have to pay dearly for aggression.

On the other hand, every effort to promote the discussion of the unification issue will be conducive to reducing the current tensions between the two states on the Korean Peninsula. In brief, there are roughly three possible ways of achieving unification.

Unification through war, unification by absorption as a consequence of the self-collapse of the other party, unification through dialogues and negotiations. Of these three alternatives, the ROK is seeking the third alternative.

#### **Threat to ROK Security**

[Passage omitted] North Korea has its own military strategy, which is a modified version of the Soviet military thinking adapted to the conditions of the Korean Peninsula. It put this strategy into practice in its military operations during the Korean War. North Korea has greatly accelerated the mechanization of its armed forces so that it may maximize its fire power. In the 1980's North Korea made signal progress in the mechanization of army artillery units, and while emphasizing the need for a capability to conduct large-scale commando operations, it made sizable progress in this area also. Recognizing the fact that an essential requirement for victory in combat is fast mobility, the North Korean army organized its forces in such a way as to meet this requirement.

The main combat strength of the Korean People's Army (KPA) consists of 16 corps, mechanized units, and artillery units, and eight special forces units (commando units). Most probably, these forces, which form the mainstay of the KPA structure, consist of 25 mechanized infantry divisions and six infantry regiments, 23 mechanized artillery regiments and one tank division, 14 tank regiments, 22 special forces regiments, and 30 artillery divisions and regiments. In addition, North Korea has 23 so-called "reserve" divisions, which are equipped with the same kind of combat gear supplied to the foremost frontline divisions. Numerous regiments, reserve and support units are deployed in the nine

military districts. There are also the Red Worker-Peasant Militia and Red Youth Guards as paramilitary forces.

As of 1991, of the total population of over 12 million, nearly 1 million belong to the regular army. In addition, 540,000 reservists stand ready to swing into action instantly. In addition, the Red Worker-Peasant militiamen, who probably number nearly 4 million, stand ready to be called out instantly; and a 200,000-strong internal security force is scattered throughout the country. All told, about one-fourth of the North Korean population has been militarized, and this demonstrates that North Korea is the number one militarized state in the world.

Speaking of their equipment, weapons from the Soviet Union makes up North Korea's major weapons system. But North Korea's defense industry, which began to grow in the early part of the 1970's, provides North Korea with enough capacity to meet its own needs for weapons with domestic production. It is now capable of producing armored cars and self-propelled guns. North Korea has obtained technologies necessary for its weapons self-sufficiency program little by little from the Soviet Union, China, and various other countries, namely countries importing North Korean weapons or providing military advice to North Korea.

With emphasis on mobility and the formation of special forces, the KPA poses a definite threat to ROK security. Special Forces regiments, which are mixed forces in form, are deployed in frontline areas. These forces, with an amazing operational capacity, are contributing to the maximization of the KPA's combat strength because they have an ability to make quick and deep penetration into South Korea in the event of war. The ability of the special forces to conduct feint operations and carry out combat missions against military targets in rear areas in the South is expected to grow in scope. The KPA moves in orderly fashion under the command of Kim Il-song and is known for its loyalty to him.

The Korean People's Air Force (KPAF) consists of four air divisions, and there are 18 air regiments and bomber regiments under these divisions. There are three airlift regiments (An-2's) and three helicopter regiments belonging to the Special Forces. About 840 fighters of the KPAF are deployed in the frontline areas, and of these 300 are old MIG-15's and MIG-17's. But in recent years the KPAF introduced more efficient equipment from the Soviet Union, including 46 MIG-23's, 30 MIG-29's, 20 Su-25's, and 20 Su-7's. These aircraft are supported by 160 MIG-21/J-7's, 180 MIG-19/J-6's, 40 A-5's, and 80 H-5 (IL-28's).

The main duty of the KPAF is to conduct aerial operations against the ROK Air Force (ROKAF) and the U.S. Air Force (USAF) and attack and neutralize targets of strategic importance. Another duty of the KPAF is to



provide cover for An-2's and Hughes (MDH-500) helicopters of the special forces in their infiltration operations. We can hardly imagine a situation in which KPAF aircraft will engage in aerial combat directly with ROKAF and USAF aircraft in the skies over South Korea and get the upper hand. Nevertheless, just in case the KPAF should secure initial air supremacy, it might be able to hold on long enough to give serious effects on other aspects of operations in the war. The KPA remembers the severe blows it received at the hands of the USAF during the Korean War, and certainly it will not forget the pains of those blows.

The North Korean Air Defense Command is based on the SAM systems of the Soviet Union and China. It is estimated that the Air Defense Command has 270 SA-2/HQ-2, 32 SA-3, and 24 SA-5 SAM launchers. Judging from the fact that North Korea is producing SA-7's on its own, it is surmised that North Korea has deployed very convenient multiple launchers also. Most of the SAM missiles can be launched from underground silos equipped with radar facilities hidden in very skilfully and systematically camouflaged places.

The Korean People's Navy (KPN) is 41,000 strong. It has the Wonsan-based East Sea Fleet and the Nampo-based Yellow Sea Fleet. Their main duty is to support KPA operations and provide cover for the Special Forces. Accordingly, they are believed to be charged with the mission to blockade the South Korean coasts and defend the North Korean shores. Reportedly, the KPN's main combat force consists of 20 Romeo-class and four Whiskey-class submarines, and 20 smaller submarines.

The surface fleets consist of three frigates, 34 missile-carrying fast action craft, approximately 170 torpedo boats, and 154 patrol craft. The KPN's amphibious capability has improved in recent years, with more than 130 landing craft introduced from overseas. A more worrisome thing is the acquisition of craft equipped with hydrofoils, each of which is capable of carrying a platoon. The KPN is charged with the defense of the coast lines. This duty is performed by the Soviet-made SS-2 Samlet and Chinese-made HY-2 Silkworm antiship missile systems and the coast-battery system.

In fact, the ROK Navy [ROKN] is so superior to the KPN in equipment that if the latter dares to attack the former, it will only court self-destruction. If the KPN, refusing to recognize the naval supremacy of the ROKN, should try to cover its landing operations by its special force and carry out an operation jointly with them, it would only hasten its self-destruction. Nevertheless, the KPN is quite strong in short war and has sufficient equipment to conduct short-war missions.

As seen above, North Korea's military capability poses a greater threat to the security of the ROK. We have so far dealt only with conventional weapons. Unfortunately, North Korea is searching for all possible methods to succeed in other types of combat. Our Defense Ministry confirmed the existence of three chemical weapons

research facilities, eight chemical weapons production facilities, and six chemical weapons storage facilities in North Korea. It is estimated that North Korea launched chemical weapons development program in the early 1960's and succeeded in producing soluble and insoluble toxic chemicals in the late 1970's. According to the Defense Ministry, North Korea has a bacteriological weapons program designed to attain a capability to culture cholera, anthrax, and other bacteria, convert them into weapons and launch germ warfare. Bacteriological and chemical weapons can be delivered by the KPA's Frog and Scud missiles. They can also be used by the KPAF fighter planes and the Special Forces. According to a diplomatic source of the former Soviet Union, North Korea has reached a considerably advanced stage in its ability to drop insoluble chemical weapons on major military targets, but seems to have ruled out the use of bacteriological weapons in view of its military strategic goals. Nevertheless, in view of the unpredictable nature of the political leadership in North Korea, the possession of chemical and bacteriological weapons is in itself certainly a matter of great concern.

What more directly concerns South Korea than these weapons is North Korea's nuclear development program. North Korea established a consolidated nuclear research facility in the Yongbyon area in North Pyongan Province. Reportedly, this facility is capable of processing and refining nuclear materials from uranium ores. The Soviet Union provided a 2-4MW research reactor to North Korea in 1965, and that marked the beginning of North Korea's nuclear development program. In the latter part of the 1970's North Korea succeeded in building a 30-MW gas-cooled reactor with the assistance of China and other countries. This reactor came into operation in 1987. According to reports, another reactor with a capacity of 50 MW or more is currently under construction, and is expected to be in operation beginning in 1992.

If North Korea persists in refusing to permit international inspections of its nuclear facilities, we cannot but be suspicious and apprehensive of its hidden intentions. A facility to experiment a nuclear weapon deliverable by a missile warhead, along with its experimental site, was uncovered by satellite photographs, making the ROK all the more uneasy. According to an official concerned, North Korea will attain a capability to use nuclear weapons in real warfare beginning in 1995.

The fact that North Korea has this kind of awesomely destructive weapon along with its powerful conventional weapons, points to the urgency to maintain a security balance on the Korean Peninsula. The ROK is expected to reach parity with North Korea in terms of conventional weaponry by 1995. But North Korea's possession of nuclear and chemical weapons poses a new problem in maintaining strategic balance. This is to say that the growing isolation of North Korea and the unpredictability of its leader will compel South Korea to continue to spend an enormous budget for its defense system.



### ROK in the Defensive

By analyzing the ROK's security position in relation to North Korea's expanded military capability and the threats posed by this expansion, we will be able to find where emphasis should be placed in the security of the ROK.

The U.S. Forces Korea (USFK), the U.S. partner in the ROK-U.S. military alliance, plays a tremendous role in the security of South Korea. But as far as the U.S. side is concerned, it is highly possible that the United States will reduce its ground troops on the one hand and increase air and naval support on the other. As part of the USFK, the U.S. Eighth Army has an infantry division and an armored battalion. It has also two air wings consisting of 84 fighters.

The 1991 ROK defense budget was about \$9 billion, or 27.5 percent of the total national expenditure and 4.2 percent of the GNP.

### Augmenting Army's War Capability

The ROK Army maintains a high degree of combat readiness. The main duties of the Army is to defend the areas along the armistice line, build a system of joint combat operation with U.S. forces, counter any surprise attack by the enemy, and retake any enemy-occupied territory in time of war. It is also charged with the special duty to protect rear areas against intrusion by enemy commandos. In peace time, on the other hand, it is charged with the duty to defend the frontline area near the armistice line and protect the coast line against seaborne intrusion or invasion by the enemy. Currently, the length of service for enlisted men is 27 months.

The ROK Army, 550,000 strong, consists of 11 corps, including the Capital Defense Command. Three of them compose a field army command having an effective mobility. The major operational units are two mechanized infantry divisions and 19 infantry divisions. They are supported by three independent infantry regiments, three mechanized regiments, and ten special warfare and commando regiments. With the growing importance of mechanization, the weight of mechanized units in the army is increasing. A decisive reason for this can be found in the terrain of the Korean Peninsula in which mountainous areas account for 70 percent of the total area. Still, the foot soldiers remain the pillar of fighting forces and the core of the defense structure. As for the mobility, the Army can call up 25 reserve divisions instantly for frontline duties or regional defense in the rear. The annual cost of maintaining the reserve manpower is \$4.4 million, the bulk of which is spent for training. An additional \$2.4 million is spent for maintaining the Student Defense Corps.

As far as ground warfare is concerned, South Korea has a larger pool of manpower available for mobilization than North Korea. Even so, South Korea will have difficulty in actually mobilizing them because of the inevitable budgetary crunch. When all this is taken into

consideration, South Korea is not necessarily in an advantageous position. For this reason, the ROK Army may experience great difficulties in countering an attack by the KPA in the process of deploying its troops.

When a comparison is made between the major weapons systems of the ROKA and KPA as they are actually deployed, the latter has a quantitative advantage. But North Korea's ability to prosecute war is not superior despite its numerical advantage. This is because the major equipment in the KPA weapons system are old and obsolete, whereas the qualitative superiority of the ROK Army's equipment and training is more than enough to offset its numerical disadvantage. The weight of the mechanized equipment and artillery pieces of the armored units in the overall combat capability of the KPA imposes an immense financial burden on South Korea. This is because South Korea had to remodel old equipment as much as possible while introducing a new weapons system, either developing new weapons locally or under a license agreement. Manufacture under a license agreement and the import of manufacturing process from abroad on condition of receiving technology transfer have the advantage of producing a certain item in a local factory and ultimately developing the same process at a national level. Reflecting these circumstances, the ROK Army's military hardware is a mixture of old, remodeled, and newly introduced pieces of equipment. In a sense this is the outcome of an intentional effort. In the future the ROK Army will have to step up efforts to acquire a military advantage over North Korea. On the other hand, if and when threats from North Korea diminish, the ROK will have to concentrate on securing its sea trade and transportation lanes because it is surrounded by the sea on the three sides. With the importance of their missions brought into focus, the Air Force and the Navy are already demanding a greater share in the defense outlay than the Army on the grounds that they need more equipment than the Army needs for its local security duties. As a consequence, the top army officials are searching for ways to improve its efficiency. As part of this effort, the army is studying plans for developing the next generation tank and mechanized infantry fighting vehicles; modernizing artillery, extending its range, and improving its mobility; and upgrading the C<sup>3</sup>I [command, control, communications, and intelligence system]. All these plans are aimed at increasing the overall mobility and the ability to move and concentrate troops. In addition, the ROKA needs to have a helicopter fleet expansion plan necessary to increase its mobility in anticipation of the call for disarmament that will inevitably arise. Probably under a long range strategy rather than a mid-term strategy, the army will introduce between 1,000 and 1,200 helicopters for reconnaissance, combat, and transportation purposes.

### Armored Vehicles

The core of the ROK Army armored fire power is Model 88 (or K-1) tank produced by Hyundai. This tank



program was launched in 1979 mainly with the assistance of General Dynamics Land Division, and Hyundai began producing K-1 tanks in 1985. Without doubt the K-1 tank is the most suitable one for the Korean terrain, and is far superior in performance than North Korea's T-62. Currently, about 250 K-1 tanks are in operation, and the total number is expected to rise to 550 in the future.

K-1 tanks will replace the current M-47 tanks. According to reports, the United States has provided about 900 M-47 tanks, of which 300 still remain. When M-47's are withdrawn from the foremost front, they will probably be used for engineering or bridge-building purposes.

The mainstay tank force for the ROK Army armored units consists of tanks of the M-48 line, namely, M-48A2C's, M48A3's, and M-48A5K's. All told, 950 tanks are operational, including the M-48A5K's developed by ROK engineers. These tanks are superior in technical terms, and the M-48's, particularly the remodeled A5K's, have greater importance than its ability to cope with the threat posed by the North Korean army. The M-48's will be gradually replaced by K-1 tanks, and the replacement plan is adjustable depending on North Korea's current new tank development plan and economic conditions in the South.

South Korea is implementing an army mechanization program to cope with the improved mechanized fighting capacity of the North Korean army. The most numerous mechanized fighting vehicles in use are M-113's. There are about 500 of them. Various remodeled versions are deployed. The M-11's are supported by KM-900's. Asia Motors have been producing Fiat/OTO6614 wheeled APC's under a license agreement. The production of KM-900's was begun in the mid-1970's, and the number of KM-900's currently deployed is estimated at 400.

#### **KIFV Program**

The most important vehicle in the ROK Army's mechanization program is the KIFV (Korean infantry fighting vehicle), produced by Daewoo using the AIFV of the FMC Company of the United States as a model. The KIFV is different from the standard AIFV model in that it has the Daewoo-MAN D-2848M V8 diesel engine linked to the British automatic transmission system of T-300. The aluminum armor of this vehicle is furnished by Alcan of Great Britain, and KIFV's are produced completely at Daewoo's Changwon industrial estate.

A 12.7-millimeter caliber machine-gun is mounted on the armored turret of the basic KIFV model. The total number of KIFV's produced is estimated at 500, and KIFV's will form the backbone of the AFV armored fighting vehicle line which will be supplied to the ROK Army for the next ten years. The Army and Daewoo first adopted a more simplified version. But they recently uncovered the fact that the KIFV could be used for various purposes. This means that under a certain condition, the chassis of this vehicle can be enlarged and its engine can be remodeled to suit specific needs.

The basic KIFV model can be modified into a 120-mm mortar shell-firing vehicle, a command-post car modeled after the M-577, a rescue vehicle modeled after the M-579, a 20-mm self-propelled gun (Vulcan SPAAG), an ammunition carrier modeled after the American M-992, and a vehicle modelled after the Dutch YPR765PRI and mounted with a 25-mm Oerlikon KBA-BO2 cannon. At least some of these modified versions are already deployed in the ROK Army. Others are expected to be deployed to replace the M-113's, which will be put to other uses.

The next step in the KIFV development program will be the conversion of KIFV's into anti-tank missile-firing vehicles. This conversion is not so difficult a task because the Netherlands has demonstrated that an Emerson (now ESCO) M-901 TOW ATGW anti-tank guided weapon-firing turret can be mounted on an FMC AIFV. This converted model will be able to carry ten rechargeable missiles. To be sure, this KIFV TDM research field will be an important development field in beefing up the ROK Army's armor-piercing capability. For this reason, the anti-tank missile-firing KIFV version has a good chance of development.

#### **K IFV Equipped With Air Defense System**

The subject of this section is the increased capability of the North Korean air force and its threat to the ROK Army. In the wake of the deployment of Su-25's and MIG-23's in North Korea, the ROK Army has concentrated on augmenting its air defense capability. All anti-aircraft weapons systems introduced should have mobility. That is why efforts are being made to develop a KIFV model with a chassis suitable to this purpose.

The first air-defense system will revolve around the SPAAG, known as Flying Tiger in code name. According to reports, this vehicle will be built on an expanded KIFV chassis and have two 30-mm Oerlikon KCB cannon mounted on a turret and controlled by its own radar. Presumably, Daewoo, Samsung, or Lucky-Goldstar took part in designing. The Flying Tiger does not have an effective fixed automatic gun-sight, a laser range finder, and a search and tracking radar. The 35-mm DGF-002 model is already deployed.

The turret of the Flying Tiger relies on the existing design. The most promising competitor among all competing systems is the Thomson-CSF Sabre system, which is supposed to be equipped with a Thomson-CSF OEIL VERT search and tracking radar, a Sagem Vassyla gun-sight, a laser range finder, and a Thomson computer. If that is the plan, Thomson will be in charge of the overall electronics system, and Daewoo or Samsung will be in charge of the overall mechanical aspects of the vehicle.

True, the Flying Tiger program is an amazing one, but it is not as amazing as the Pegasus program, which is a highly mobile system based on the ROK Army's KIFV frame mounted with a SAM system. The Pegasus program was pushed in secret for a while, but presumably



the actual planning was undertaken in the 1988-1989 period. The lead contractor for this program is Samsung, which is in charge of the overall weapons system. Daewoo is responsible for the vehicle, and Lucky-Goldstar for the missile system, particularly the target searching device. This program is assisted by the National Defense and Science Institute (ADD), which provides active assistance for the development of regional defense industries and technology transfer programs.

The Pegasus program marks a milestone in the ROK's overall arms development programs. However, the really important areas in this program will be undertaken in the form of joint development and in a way to promote technology transfer. Seeing this necessity, Thomson-CSF/DSE offered to be a partner in the joint development. In 1988 this company offered to provide its Crotale NG SAM system. The blueprint for the Pegasus program has now taken concrete shape. The ADD agreed with Thomson in early 1991 to introduce two Crotale NG firing platforms, which will be mounted on the KIFV frame.

The complete developed model under the Pegasus program will be equipped with a Crotale NG optronics package, and it will use a Thomson-CSF (TSM 2630) searching and tracking radar equipped with a Castor heat-tracking camera. Thomson will assist Samsung with the integrated system, and Lucky-Goldstar will receive assistance from them in missile production. There will be no problem in transferring missile technology to the ROK because the U.S. State Department is likely to raise no objection to such transfer. The VT-1 missile consists of the NG system equipped with a U.S.-made LTV designed processor and a Morton Thiokol engine.

At this stage it is not clear whether the Crotale NG system will be manufactured under a license agreement or the program will be carried out as a France-ROK joint venture. At any rate the ROK Air Force will introduce 35 or more launching platforms and use the Pegasus system to defend its air bases. This system will be placed in air-raid shelters or placed in fixed locations. At least 32 launching platforms are needed to defend the air bases. The Pegasus, along with the Flying Tiger program, is an important program which holds out the possibility of France joining in the ROK's defense arms market for the first time.

### Guns and Missiles

The ROK Army feels serious threats from the KPA's trailer-mounted guns and self-propelled guns. The ROK Army's artillery has a large number of American-made M-101 105-mm howitzers (about 1,000), which are emplaced across the country. Recently, the ROK Army developed the KH178 howitzer, its own 105-mm system. The KH178 has a maximum range of 14.7 km when an HE [high explosive] shell is used. KH178's are being exported to Thailand. South Korea is also producing KH179's, its own version of the M-155 mm howitzer.

The KH179 has a similar capacity to that of the American-made M-198, and it can destroy a target within the range of 22 km with an M107 HE shell. Another type of 155-mm howitzer that is currently deployed is M-114's. Approximately 400 of them have been introduced over a number of years. The latest trailer-mounted gun is the M-115 203-mm gun. About 48 M-115's are deployed. The total number of trailer-mounted guns is 4,000, of which the KH178/179 and M-115 have the same capacity as the similar guns developed by the North Korean army.

The ROK Army's self-propelled guns play an important role in quickly coping with threats posed by the mobility of the KPA. The main-force self-propelled guns currently deployed are M-109A2's. The ROK is producing this model under a license agreement. Ultimately, a total of 500 M-109A2's will be deployed. Other models of self-propelled guns are the M-107 175-mm guns and M-110 203-mm guns. About 99 of them are operational. For ammunition for 155-mm guns, the ROK is searching for ways to introduce advanced ammunition technology similar to the ERFB-BB [expansion not given] formula. Unlike its North Korean counterpart, the ROK Army has recently been shifting to a multiple rocket launcher (MRL) system. It has deployed its own Kooryong 130-mm guns. About 140 of them, mounted on launch vehicles, are operational. Each of them is mounted on a KM813A1 launching truck, which is capable of carrying 72 rockets each. The Kooryong is similar to the Soviet-made BM-21. The ROK Army is seriously considering whether it should introduce more complex and efficient models of multiple rocket launchers (MLRS), which it needs most now. Currently, two Honest John SSM battalions with 12 launching platforms are deployed in the ROK Army. Their warheads are conventional ones, and this is an operational shortcoming of this missile system. The ROK has developed various models of missiles of an equal capacity since the late 1970's. The missiles developed under this program has produced various results in the experimental process. The Defense Ministry says several of them are operational. However, it admits that the rate of hits is rather low, and that the development of most of these missiles was a waste of financial resources.

Earlier it was pointed out that the ROK Army has placed increasingly greater emphasis on building an air-tight air defense system. The improvement of anti-aircraft weapons is being carried out under the procurement program for 150 launching pads and over 1,000 missiles. Areas covered by MANPADS [expansion not given] missiles are expanding. The Matra Mistral and the Shorts Javelin were competing for this program, but the Mistral was selected. Nevertheless, about 100 Javelin missiles are deployed in Korea.

The ADD says that it chose Matra Mistral missile because the company promised to transfer technology in other fields. But in view of the inferior performance of the Mistral missile, the ROK Government is showing considerable interest in the Shorts Starburst missile, a



more advanced missile system. Currently, a second round of procurement competition is under way.

### Helicopters

Aerial mobility is an important part of the ROK Army's military capability. The ROK is well aware of the importance of aerial mobility in view of the Vietnam War experience of its army, as well as the U.S. experience. For this reason, the ROK Army is stressing the urgency of deploying more helicopters and producing helicopters locally. The AH-1F is the mainstay helicopter, and 48 AH-1F helicopters are operational. AH-1F helicopters receive lateral support from MDH500 Defenders, which are produced by Korean Air under a license agreement. Currently, 194 of them are deployed. In addition, 38 of them are assigned to the Navy and the Police Air Unit.

Defenders can perform assault and combat patrol missions and play a pivotal role in the army's aviation field. However, North Korea has about 79 Defenders, purchased in international markets, posing another problem for our defense. All this necessitates the ROK Army to make an appropriate choice in purchasing new combat and reconnaissance helicopters. A plan based on this choice will be drawn up after weighing proposals made by various groups and considering the given conditions for local manufacture. Anyhow, as things stand now, the combat and reconnaissance helicopter program is not very high in the order of priority compared with other projects, but a decision is expected to be made on this program one way or the other.

Heavy-duty mainstay helicopters being newly introduced will replace UH-1H helicopters currently assigned to the Army and the Air Force. This new helicopter program carries the code name of H-X program. A contract was signed with the Korean Air/Sikorsky group in 1990 to purchase \$500 million worth of UH-60P helicopters. The contract calls for the purchase of 100 UH-60P helicopters initially, and ultimately more than 150 in all. Another mainstay helicopter purchase plan calls for the purchase of 18 CH-47D Chinook helicopters.

### Other Programs

Anti-tank weapons are the one field that cannot be overlooked if we are to cover as many fields as possible that relate to the Army. In the final selection stage for the anti-tank program, the Army evaluated three options for the backbone of the sequel to the M72 LAW [light anti-tank weapon] rocket launcher. The three were: Hunting LAW80, Matra Apilas, and Dyamit Nobel Panzerfaust 3. Finally, the German Panzerfaust 3 was chosen. In the initial stage, finished products will be shipped under the contract, but subsequently Panzerfaust 3 anti-aircraft rocket ranchers will be produced locally under a license agreement. In the ATGW [anti-tank guided weapon] field, the TOW is the main piece, but our authorities are showing increasing interest in purchasing Milan-class ATGW's.

### Augmenting Air Force War Capability

The ROK Air Force plays a pivotal role in the defense of South Korea. If the potential enemy launches an attack, the ROK Air Force will perform the typical tactical air defense mission, that is, the duty to intercept the enemy, provide close aerial cover for our troops, stem the enemy advance, and fly reconnaissance and search missions.

Particularly, in actual operation our air force is expected to be superior to its North Korean counterpart in its ability to gain command of the air in the early stage and perform air strike missions against the enemy territory. However, given the enormous air raid and air defense capabilities of the North Korean air force, our air force will have to tackle its missions all the more prudently. The ROK Air Force therefore claims that it plays a leading role in the "army-navy-air force joint operation system" aimed at defending the country against North Korea's formidable strike capability, the memory of which still makes us tremble in fear long after the Korean War was over.

The peace-time duty of the air force is to perfect readiness to swing into action instantly in time of war, do its best to discharge its duty to defend our territory, and conduct effective training to defend our territory securely through areal patrol missions.

The ROK Air Force is 45,000 strong and has seven combat wings as a major operational power. North Korea has a numerical superiority over South Korea in air power. But as in the case of ground forces, South Korea's numerical inferiority is offset by the qualitative superiority of its hardware, although clearly, the ROK has shown its misgivings about North Korea's purchase of more and more military hardware from the former Soviet Union.

The aircraft operating rate and the extent of pilot training are the key criterion for evaluating the quality of the air forces of the North and South. The North Korea Air Force's aircraft operating rate is somewhere between 30 and 40 percent whereas that of the ROK Air Force is between 85 and 95 percent. The hardware supplied to North Korea by the Soviet Union is old, and reserves are gradually running out. There is the possibility that this obsolescence factor will give an advantage to the South Korean air force. According to an air force source, South Korean pilots have logged 1.5 times more flying time than their North Korean counterparts. If these comparisons are factored into the ratio between the number of jet aircraft on each side, the ROK Air Force is expected to gain an advantage by 1995.

The ROK Air Force is improving the quality of pilot training through competition in an effort to secure a qualitative edge over the North Korean Air Force. Reportedly, North Korean pilots must unconditionally follow the instructions from controllers on the ground while performing their aerial duties whereas South Korean pilots receive flight training under a system that gives priority to their own judgment in tactical training



and joint aerial combat training. Our pilots have an additional advantage in that they receive training jointly with American pilots.

The recent most important fighter purchase plan as a key element in the air force buildup plan is the Korean fighter plan (KFP), under which a contract was signed with General Dynamics for the purchase of the F-16C/D models. The original plan called for the purchase of the F-18 model for the KFP, but the plan was shelved for budgetary and political reasons and because of problems involving technology transfer. The purchase of less expensive F-16's will give more financial elbowroom to the ROK Air Force in the implementation of priority projects such as the modernization of the F-4 and F-5 models, the development and wider use of trainers, and the purchase of AWACS planes.

The financial scale of the KFP program is set at \$520 million to purchase 120 aircraft. First, General Dynamics will deliver 12 F-16C's and D's, followed by 36 more in a knockdown form. Samsung, the lead Korean contractor, has a plan to assemble the remaining 72 planes locally. Under this plan Samsung will build 72 aircraft equipped with the Pratt & Whitney's F100-PW-229 engine, and assemble the engines for the other 36 aircraft with parts supply by Pratt & Whitney.

Some of the F-16C/D aircraft are already assigned to two wings. Twentynine F-16C's and 10 F-16D's purchased through the U.S. FMS [foreign military sales] system are deployed in the frontline area, and they are the most modern aircraft in operation. Under the KFP program a total of 160 F-16C's and D's will be deployed, and these fighter planes are expected to be in service for a long time. When these many F-16's are introduced, they will perform both aerial combat and strike missions. Their performance will be further enhanced by the purchase of LANTIRN (FOD) [last word phonetic].

Until the KFP program is completed, the historical F-4 Phantom II jets will remain deployed despite their many shortcomings. Currently, 64 F-4D's and 59 F-4E's are assigned to four wings. But some of the F-4D's are almost at the end of their service as fighter planes. The Air Force is introducing some of the U.S. surplus F-4E's, formerly the U.S. Air Force's mainstay fighter jets, to replace old F-4D's as they wear out.

Definitely, the F-4E jets will be a key element in the composition of the ROK Air Force's next generation aircraft. For this reason, the Air Force intends to push for a major Phantom jet remodeling program. For this program, the General Dynamics/Westinghouse team was selected in a two-way competition with the McDonnell Douglas/Hughes team. However, there is controversy over the problems of the cost and efficiency. From the beginning, the General Dynamics/Westinghouse team was regarded as the most promising candidate because the proposal made by these two companies centered on the F-16C's avionics engineering. At any rate, under the

joint ROK-U.S. logistics structure, and with the participation of these two companies, remodeled F-4E jets are expected to remain in service in the ROK Air Force beyond the year 2000.

The air force has about 18 RF-4C reconnaissance planes and presumably eight RF-5A's. The RF-5A's are scheduled to be retired from active service soon, and not much time is left before the RF-4C's will have to be replaced by another model. The ROK Air Force introduced the remaining RF-4C reconnaissance planes from the United States in 1990 and 1991. To operate and maintain these aircraft, the air force needs an extensive structural improvement plan. Still, under the current circumstances, there is no other choice but to use RF-4C's. However, there is the possibility that F-16 jets, equipped with high-performance reconnaissance system, will perform reconnaissance duties in place of RF-4C's.

For a while the air force considered the Tornado as a possible model while looking for aircraft that will perform the SEAD (strike at the enemy air defense) duty. In the opinion of the air force, the North Korean air defense network is becoming more and more complex, and our air force's ability to break through this network and avoid its threats will be insufficient until the SEAD capability is attained. There was the rumor that the air force planned to purchase 48 Tornado's, but there is no assurance that the Tornado will be selected, all the more so because this plane is incompatible with the logistic systems of the ROK and U.S. air forces.

If there is a possibility that a Tornado purchase contract will be signed on condition of allowing local production and technology transfer as a result of competitive bidding, the prospective supplier will first approach the ADD, and through it, apply pressures on the air force. But another model could be selected. The U.S. Air Force's F-4G Wild Weasel may be mentioned as a short-term possibility. To be sure, the introduction of Wild Weasels is a possibility. But a Wild Weasel purchase plan has the demerit in that the air force will have to carry out a major Wild Weasel modernization and improvement program for the next ten years. Another possible choice will be the purchase of EA-6B Prowlers. Grumman clearly indicated to the ROK Air Force and the ADD that it is ready to provide attractive and partly satisfactory aircraft. Apart from this offer, Grumman offered to provide E-2 Hawkeyes.

One practical lesson the ROK learned from the Gulf War is the importance of securing a superior electronic capability through an early warning system and a SEAD system. This ability can be attained only by the national-level effort to develop a system suitable to this purpose. One of the important reasons for making this effort is that we should be prepared to defend ourselves just in case U.S. forces should be withdrawn from Korea.



### Localization Programs

Our country has been pushing a long-range aircraft industry development program since the late 1970's. The localization of production and technology transfer are decided upon at the beginning when a purchase contract is signed. The Korean aerospace industry is planning to develop a home-made trainer called KTX. According to Samsung, the group participating in this program launched preparatory work for the production of KTX-2's in 1992, with the goal of turning out finished aircraft beginning in 1999.

However, as of now there is no definite information regarding the KTX-2 program, and it is not clear whether the government is going to set aside the money for this program. Nevertheless it is to be noted that the KFP program, which is designed to produce F-16's, the centerpiece of the KFP program and which will mark the starting point for the production of KTX-2, has already been undertaken by local industrial firms.

In order for our industry to be able to execute the KTX-2 program, various plans to develop aircraft designing and manufacturing techniques must be implemented. Above all, the air force must find the most suitable place to produce trainers, and the plant built in this location must be able to produce a model that can replace T-41, T-33, and T-37 trainers. On the other hand, Korean Air's Blue Sky 91 can be considered as a possible replacement for the T-41. The first Blue Sky 91, similar in conception to the wooden Beechcraft, flew in early 1992. This plane will be used in basic training and aviation tests.

A KTX-1 development plan may be considered for a next stage program. The KTX-1 is a propeller-driven trainer. This plan has gone through numerous trial processes, including the test flight of a model equipped with a 760 hsp PT-6 type engine and a Pilatus PC-7 wing. However, a plan centering on aircraft of the Tucano/PC-9 class is given positive consideration.

The ROK Government's policy on the development of basic trainers is focused on the localization of turbo engine development and fuselage designing. As an auxiliary obligation under the F-16 contract, Pratt & Whitney will cooperate in localizing engine designing. Lockheed Fort Worth will also provide another form of assistance. The KTX-1 program will be carried out under ADD supervision with Daewoo Heavy Industries as the lead contractor.

The KTX-2 program, the next-stage program for local manufacture of a trainer model equipped with a high-performance engine, is known as the Korean jet trainer (KAT) program. The plan was conceived for the replacement of the air force T-33 and T-37 aircraft. Reportedly, Samsung is a participant in this program. It is expected that a complete system development plan will be worked out by late 1993, and that the first test flight will be made in 1996. As part of additional service under the F-16 contract, Lockheed Fort Worth will present methods for

providing assistance to the ADD and Samsung in developing and designing KTX02/KAT trainers.

After studying numerous candidate models, the Air Force ordered 20 BAe Hawk 67's. Under the BAe contract, Daewoo participates in the program as a subcontractor and is expected to supply main wings to BAe trainers. It is clear that in case a hitch should develop in the KTX-2/KAT program, the air force will purchase an additional 80 Hawk 67's to supplement the trainer shortage. The ROK Government is seriously considering ways to integrate Hawk technology, particularly wing technology, into the KTX-2/KAT program.

### Augmenting Naval Power

The duties of the ROK Navy stems from the fact that our country is directly confronted with seaborne threats from North Korea. The Navy's wartime duties include the following:

Sea surveillance and coast line defense, securing sea-lanes, and protecting U.S. support forces when necessary.

Of these duties, the tasks of defending the coastline, conducting sea surveillance and reconnaissance, and protecting sea-lanes are included in the peace time duties also. On the other hand, marines perform the purely infantry duty of defending important terrains in direct confrontation of the enemy while executing amphibious operations.

Threats confronting the navy are numerous and complex. Under these threats, the navy performs the duty, among others, to acquire an ability to defend the coastline without fail and secure the safety of the sea routes as well. In addition, the navy has to counter infiltration by the North Korean Navy (KPN). It is also confronted with serious threats from a considerable scope of North Korean fast attack craft and mine-laying capability. All this points to the need for our navy to have a more extensive sea patrol and coastal defense capability and a greater ability to conduct mine warfare. The first and foremost among all these tasks is securing an anti-submarine warfare capability, whose main objective is to perform a combination of sea escort duties and amphibious operations. In fact, these duties are a mixture of duties in two different areas. One of them is to oppose the enemy, and the other is to the Navy's intrinsic duty to protect sea-lanes of our trade partners.

The Navy is pushing an integration of newly purchased weapons and old weapons. The 60,000-strong Navy has two divisions and a powerful marine brigade. The mainstay of our navy comprises nine World War II Gearing-class destroyers and two Sumner-class destroyers. These destroyers were first modernized modeled after FRAM1 [Fleet rehabilitation modernization plan], and subsequently further developing into a general form modeled after FRAM2. It is noteworthy that their modification was carried out in the Korean shipyards. Five of the



seven Gearing-class destroyers are equipped with Harpoon ship-to-ship missiles and helicopter landing pads. The other two are equipped with ASROC anti-submarine missiles. Each of the two Sumner-class destroyers can carry one helicopter and fire Harpoon missiles. All these destroyers, built between 1944 and 1946, are now obsolete and need to be replaced.

The new destroyers have been developed under the KDX program. Reportedly, the destroyers that will be introduced under this program will have a displacement capacity of 3,500 tons or more and be equipped with an integrated weapons system capable of performing airborne, seaborne, and anti-submarine operations. The Navy plans to build a demonstration model before embarking upon building 10 to 16 new destroyers, in order to test the performance and equipment of the weapons system. Most probably, the plan to build a demonstration model will be put into execution in late 1993, and the newly built model will be put into operation in 1997. This program will pave the way for replacing the current Gearing- and Sumner-class destroyers beginning in 1999. The KDX and other naval vessel construction programs will breathe life into our recession-stricken shipbuilding industry, thereby giving a salutary effect on other related fields.

The weapons mounted on each destroyer built under the KDX program will include: eight surface-to-surface missiles (SSM), Sea Sparrow vertical launchers (VL), surface-to-air missiles (SAM), two 30-mm CIWS, one 127-mm gun, two MK32 torpedo launching tubes, and an undisclosed number of ASW [anti-submarine warfare] helicopters. The ADX is accompanied by many auxiliary plans, such as those related to the surface craft control and command systems, radar tracking devices, the combat systems, firepower control devices, and integrated underwater detection devices. Two groups—a KAE/Contraves team and a Dowty-Sema/HSA team—are competing for KDX electronics contracts. The KDX has produced satisfactory results only in limited areas, but the program draws attention because of its sheer size despite its partial success.

The ROK has successfully demonstrated its ability to build Ulsan, Tonghae, and Pohang-class frigates and corvettes. These vessels were built by Hyundai, Korea Tacoma, Daewoo, and Korea Shipbuilding Yards. Their construction was carried out as an experiment to build the hull in Korea and equip the ship with foreign-made electronic gear as its integral part. The experiment was a success. The electronic devices for seven Ulsan (FF)-class, 18 Pohang-class (FF), and for Tonghae-class (FS) vessels were built under a contract with Ferranti of Great Britain as lead contractor. Reportedly, some of the early models are equipped with an HSA system.

It seems that our frigate force has been greatly augmented with the supply of a large number of additional Ulsan and Pohang-class vessels. In the future an additional 15 to 25 new frigates are expected to be supplied. With CIWS equipment installed, they will strengthen

antiaircraft warfare (AAW) capability. However, the ROK Navy is not in a position to earmark its entire naval defense budget to increasing the number of large vessels because it has to acquire a sufficient capability to counter North Korea's fast action craft. Currently, the navy fast action craft fleet consists of one Asheville-class (Paekku-51 class) missile-firing high-speed craft (FAC-M) equipped with Standard ship-to-ship missiles; eight Paekku-class (improved Asheville model) missile-firing high-speed craft equipped with Standard and Harpoon missiles; and two Kirogi-71 class high-speed craft equipped with Exocet missiles. These boats were procured beginning in the mid-1970's, and most probably they need to be replaced or modernized by the end of 1990's. In addition, the navy has 32 Wild Goose-11 class patrol craft and 39 Sparrow-51 class patrol craft.

Formerly, a plan to replace all of the FAC/PF fleet was under consideration, but now a different plan is under study. Probably, more than 60 new patrol craft will be procured, and at the same time every effort will be made to prolong the life span of the remaining boats through all kinds of modernization work. The difference between missile craft (FAC-M) and patrol craft (PF) is not made known, but a serious discussion seems to be under way on the question whether these boats will be used against enemy infiltrations or against North Korean navy's fast action craft.

As pointed out earlier, mine warfare (countering enemy mines and laying mines for tactical and strategic purposes) is one of our navy's important duties. Eight small Kunsan-class MSC-268 and MSC-219 minesweepers perform this duty. With their performance highly evaluated, the navy looked for the new type of mine sweeper suitable to its needs among overseas models, and finally, opted for the Intermarine Lerici class as the key standard for MCMV's. As a result, the first Swallow-class craft was built by Mamgang (stock company). While acknowledging that the blueprint for new MCMV's is clearly similar to that of the Swallow LERICI, the use of that blueprint is not based on any agreement with the navy or the shipyard.

A demonstration vessel has already been introduced, and five MCMV's will be built in the future, and an additional 12 to 18 MCMV's will be built at a second stage. Their engines will be supplied by MTU, and mine-sweeping equipment is expected to be procured from Marconi and Racal of Great Britain.

Naturally, the ROK Navy is striving to acquire a submarine capability to cope with the North Korean navy. As part of this effort, our navy introduced one Model 209 submarine from HDW of Germany. As of August 1993, two submarines were built locally under a license agreement. Three more submarines are expected to be built at Daewoo's Okpo shipyard, with parts supplied by HDW. They will be commissioned by the end of 1994.

With the prospect for possessing six submarines, our navy feels much superior to the North Korean navy in



submarine capability, but it feels uneasy about potential seaborne threats from Japan. For this reason, the navy plans to introduce six additional submarines. They will probably be ordered in two batches of three. Their model will be more advanced than Models 209 and 1400. However, it is not clear whether our navy will give a higher priority to these successive submarine purchase plans than its destroyer and frigate purchase programs. The submarine purchases will total 18, which will be divided into three fleets (East Sea, South Sea, and West Sea). In choosing a new model, the navy is leaning toward the type that can operate underwater for three consecutive weeks and is equipped with an air-independent diesel propulsion system which provides a better operational capability.

The Navy's air power is emerging as another important branch. The navy is in need of replacing its obsolete aircraft and equipment to supplement its aerial warfare functions. In December 1988 an order was placed for 12 Westland Super Lynx's, equipped with a GEC Ferranti Sea Spray3 radar and BAe Sea SKUA antiship missiles (ASM)) for ASV [expansion not given] operations. This hardware is the first of its kind to be used in countering North Korean tactical aircraft and fast action craft. The Lynx helicopters the Navy has now were probably commissioned in late 1992. An additional 60 or more helicopters are expected to be introduced. These helicopters will probably be assembled in Pusan under Hyundai's supervision. The navy is showing its interest in procuring more Sea SKUA missiles and studying ways to purchase coastal defense missiles, a variation of the Sea SKUA missile. This procurement program, next only to the FAC/PF construction program in importance, includes ground-launched SEA SKUA missiles as one of the candidates for purchase.

The latest major problem involving navy aircraft that requires an urgent solution is that of replacing the S-2E Tracker ASW model. To solve this problem, the navy plans to purchase P-3 Orion's from Lockheed. With the cancellation of the P-7 purchase program, Daewoo was

forced to suspend work aimed at building the wings for P-7's under the program, bringing about ill effects on the Korean side. Under these circumstances, Dassault approached the ADD with a more favorable offer and an offer of technology transfer, to boot. Nevertheless, the ROK Navy opted for the P-3C model, and eight P-3C's are scheduled to be introduced beginning in 1995.

On the other hand, the ROK Navy is doing its utmost to build up a strong military power essential in countering direct threats posed by the North Korean navy. To this end, more importantly, our navy should develop an ability to perform its current duties perfectly, and on this basis, weaken the growing influence of Japan and counter sea threats from China.

### ROK Defense System

As examined above, the ROK armed forces are at a point where it can now beef up its defense capability. According to the Defense Ministry, the military hardware of our armed forces will be improved enough to be nearly on par with North Korea by 1995 in terms of operational armament. On the other hand, North Korea's nuclear, bacteriological, and chemical (NBC) warfare capability poses a threat of a new magnitude. All these are important reasons for the existence of the ROK-U.S. allied forces, which may be regarded as a deterrent to North Korea's NBC capability.

Nevertheless the strategic situation on the Korean Peninsula, as far as its emotional side is concerned, indicates that Korea could become the world's powder keg. This possibility is mostly attributable to the peculiarities of the Kim Il-song/Kim Chong-il Establishment and the characteristics of the North Korean regime. For this reason, South Korea is not in a position to reduce its defense spending but rather finds it necessary to spend an enormous amount of budget to compel North Korea to give up its sinister designs. Only when the North Korean regime is replaced will there be a chance to achieve unification on the Korean Peninsula. But as things stand now, this is nothing but wishful thinking.



**Burma****DAB 'Ready' To Respond to Khin Nyunt Offer**

*BK0712135193 London BBC in Burmese to Burma  
1345 GMT 6 Dec 93*

[Larry Jagen report from the "Current International Affairs" program]

[Text] It has been learned that the ethnic armed rebels and the democratic organizations in Burma are ready to hold peace negotiations with the Burmese Military Government. According to Dr. Martha, spokesman for the ethnic movement group, the DAB, the Democratic Alliance of Burma, will soon present a detailed offer to hold discussions and will contact the Burmese Government. The DAB is an alliance of the ethnic groups and pro-democracy Burmese groups. The DAB is responding to the Burmese Government's recent offer to the ethnic groups to hold peace talks. BBC Correspondent Larry Jagen reports as follows:

Many ethnic groups in Burma have been fighting the central government—Rangoon government—for 40 years for autonomy. Due to the prolonged civil war, the ethnic people have suffered a great deal of loss. Dr. Martha also added that ending this suffering—the civil war—is among the DAB's highest priorities. He continued, saying that the DAB has always wanted to resolve the political problems in a peaceful manner. Early this year, the DAB sent two letters to Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] offering to hold peace talks with the SLORC.

The SLORC's offer to hold peace talks shows that it has now reached a very important moment. An opposition source along the Thai-Burmese border says if the SLORC responds to DAB's offer, then the DAB has to think about sending a delegation to Rangoon to hold a preliminary meeting. Although Dr. Martha cautiously commented on the consequences of the DAB's initiative—offering the SLORC to hold peace talks—he seriously expressed the need for either the DAB or the SLORC to make a move.

[Begin Martha recording] Yes, my desire is to end this civil war tomorrow, if possible, because it has been going on for 45-46 years. However, my desire may not be fulfilled, because the civil war has been going on for so long. If there is going to be a meeting, we will go, with genuine goodwill, for real internal peace in the country, and for the benefit of the people. This is our position. [end recording]

The decision to contact the SLORC leaders was made at the DAB's meeting, which was held at Manerplaw last weekend. The opposition source along the border says there are still preconditions in the DAB's offer, but Dr. Martha did not mention them. Previously, the DAB has demanded the SLORC to show its sincerity and honesty by releasing Daw Aung San Suu Kyi and all the political

prisoners if it wants to hold peace talks with the DAB. There were also preconditions that the talks must be held in front of UN or independent observers, and the talks must be held outside Burma. The opposition source says these preconditions might be partially or totally dropped this time. The significant point here is that the ethnic revolutionary movement will continue to demand that SLORC hold collective negotiations. At the last weekend meeting of the NDF, the National Democratic Front—comprising many armed ethnic groups—it was decided that the DAB is responsible for holding talks with the SLORC. Earlier, the SLORC did not accept these preconditions.

The ethnic movement groups also believed that the latest offer for peace talks made by Lieutenant General Khin Nyunt, chief of the Directorate of Defense Services Intelligence, in Pa-an Township, Karen State was not only intended for the ethnic groups. Lt. Khin Nyunt, in his speech last week, offered all opposition organizations in Karen State, including the armed organizations, the chance to hold individual talks with the SLORC. Earlier, he also gave speeches in Mon and Kayah States. The opposition source says Lt. Khin Nyunt gave these speeches to confirm the SLORC's offer to hold peace talks with the ethnic groups. Many people also believe that Lt. Gen. Khin Nyunt has also promised to be responsible for the transportation and security of the national leaders who are to attend the peace negotiations.

Early this year, the KIO, the Kachin Independence Organization, has held separate talks with the SLORC; and now the final stage of signing a cease-fire agreement between them has already been reached. The KIO has also demanded from SLORC a nationwide cease-fire.

The NDF and the DAB have suspended the KIO's membership in the groups for holding separate talks with the SLORC which is against the policy laid down by the ethnic revolutionary movement.

**Cambodia****Ranariddh on Solving KR Problem 'Peacefully'**

*BK0812103393 Phnom Penh National Voice of  
Cambodia Radio Network in Cambodian 1300 GMT  
6 Dec 93*

[Speech by First Prime Minister Prince Krompreah Norodom Ranariddh addressing a university students delegation during a 6 December audience in Phnom Penh—recorded]

[Text] Dear students and brothers: As the first prime minister of the royal government, I have read the report on the seminar that you held a few weeks back dealing very significantly with two issues: the so-called Khmer Rouge [KR] problem and the presence of ethnic Vietnamese—you have termed it an ethnic Vietnamese issue, but let us call it an issue of illegal immigrants in our



Kingdom of Cambodia. There is also the issue of whether we should learn French or English at school, and I would like to add the issue of agriculture. So allow me, in my capacity as the first prime minister, to stress our stance and inform you about it. In my opinion, his excellency the second prime minister will surely agree with me on all these topics, which affect not only the present but also the future of Cambodia. It is most fitting that you, the students, who are the future, the pillar of our Cambodian nation, should bring all of this up for discussion and express your lofty concern over these aforementioned major issues.

Concerning the issue of the Khmer Rouge, I ask you to please be more understanding toward my—Norodom Ranariddh's—personal stance. I have always fought under the royal leadership of our venerated king. I do not want to elaborate on this because it might affect somebody. However, this is history. It is nothing personal. It is history known to both national and international opinion. If we have to write history, we must write it correctly. We must not write it in a way that pleases this or that person.

We are all concerned over the issue of Cambodian territory as well as the issue of Cambodia's national reconciliation, which is directly connected with the issue of peace in Cambodia. We have held the elections and, rightfully, all of you, brothers, grandfathers, grandmothers, uncles, and aunts have hoped that the elections would bring along peace. However, this peace did not transpire in full. Of course, there is a more than 90 percent peace in our country now. Do not confound peace with insecurity. It is true that we have peace, but I would like to say that my personal stance is to solve the Khmer Rouge problem, which is a national problem and a national reconciliation issue, through peaceful means.

Within the framework of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party, we have already met and taken the resolute decision to solve this problem peacefully. But such a decision does not mean that we are not going to deprive the Khmer Royal Armed Forces [KRAF] and police—who have constantly been under Khmer Rouge attacks—of the possibility of ensuring security for the citizens as well as their right to self-defense—it is the duty and obligation of the KRAF just as it would be the duty and obligation of the armed forces of any other countries. But our main objective is to try to solve the problem peacefully.

I would like to inform you, brothers, that the Khmer Rouge are making an issue out of several things that you already know about, such as the ethnic Vietnamese, the puppet administration, and the lost territory problems. In the meantime, I would like to tell you that I have just returned from Oddar Meanchey. When I was there the Khmer Rouge launched a large-scale offensive on the former ANKI or the National Army of Independent Cambodia which I used to command. They attacked ANKI everywhere, from O Tuk to Kralanh. Let me tell

you that not a single Vietnamese has ever lived there. Only our men are positioned there, and they attacked us everywhere, in all directions. We have never conducted any activity against them. In their propaganda, they said that there are Vietnamese and that we have lost our territory. However, in that region we are experiencing no territorial crisis; we have lost no territory there to Vietnam.

To solve the problems of Cambodia, one must be honest to the nation. It is not right to demand that other people defend the eastern territory while those who are supposed to be defending the western territory do not care so long as they can export gems and timber. Is that not a kind of double-crossing? Brothers, you should understand that a national matter must always remain a national matter. Once a person starts equating national interests with his group's interests, then he is not considering the national interests at all.

So, I would like to inform you that no Vietnamese have ever been found in the Kralanh or [word indistinct] areas. We did not provoke those attacks. For five years I lived alongside the Khmer Rouge or the party of Democratic Kampuchea and for five years ANKI shed much of its Cambodian blood for national liberation. Frankly, that incident was quite painful to me. They keep raising the Cambodian territory issue but how about the issue of gems in Pailin? One day, if any of you volunteer, I will risk taking you on a trip by plane flying high enough above their zone so they cannot reach us with their ground fire. It has always hurt me so much to see square kilometer after square kilometer of our Pailin denuded of trees and hills. We can see only the exposed red soil and ant-like people swarming around large Thai-owned factories extracting millions of our gems to line their pockets. And they still pretend to be patriots!

Brothers, you should have pity for me and help me find a solution to it. The Khmer Rouge should stop raising the issue of territory lost to the Vietnamese. The Khmer Rouge should kindly come over and integrate themselves into the KRAF so I can help them find where Vietnam has taken our land and so that together we can reclaim it. This is the decent attitude. In that way we can also help recover our land captured by Thailand on the western border as well. Let it be made clear: it should not be a lop-sided action [words indistinct]. We Khmer should stop remaining indifferent [words indistinct].

Nowadays, in many provinces there are no more forests left. From Kratie to Mondolkiri and Ratanakiri we have no roads. It is a priority for us to build roads to these regions. Otherwise, our forests will be devastated, and we have no idea what is happening to our territory. In the west, I have also made a priority to cut a road from Sre Ambel to Koh Kong. Soon, without such a link, no one will know what will be happening to Koh Kong and Pailin.

So, the Khmer Rouge have raised the issue of territory, but they have not thought to find a way so that our



country can preserve its territory from both sides. Fortunately, Laos has never caused us any trouble. If it did, if any Khmer group happened to align itself with Laos, then that would be the last straw for us. So, only if we even-handedly face the problem can we be qualified as Khmer. If you keep an eye open and another blind to an issue, then you are no patriots. That is my stance.

As I said above, we are working to solve the problem peacefully. It is I, myself—nobody else—who is resolute to solve the problem. I agree to meet His Excellency Khieu Samphan in Thailand any time. A few days ago when he visited his majesty the king in Beijing, he said he wanted to meet me, Ranariddh, for discussion. I agreed to go there, too, but we would not meet there, for when he asked China the permission for a meeting China said it no longer wished to interfere in any Khmer Rouge affair again. We asked him to come to Phnom Penh, and he said he was afraid. So, only Thailand is left as the venue of our meeting. If Thailand refused but he still insisted that I go, I would go. In my capacity as the first prime minister, I will agree to meet him to show to history and all of you, brothers, that I am determined to settle this problem peacefully. However, they should consider the problem on a national basis. If they keep talking about puppets, what can I do? Please, help me sort this out.

Consider this: We have held the elections, we have the Constitution, stability, and a royal government with two prime ministers chosen by the chairman and vice chairmen of parliament. These institutions should be respected. Can they be regarded as puppets? If they can, the parliament would become a puppet parliament; the then acting Chairman Son Sann, Vice Chairman Chea Sim, and Vice Chairman Ing Kiet would be puppets; Mr. Hun Sen and I would be puppets; and the legitimate royal government ratified in secret balloting by the National Assembly in which the FUNCINPEC party is also represented would also be a puppet government. So, there would be a complete deadlock. I would like to inform His Excellency Khieu Samphan that if you want to solve the Cambodian problem, you should consider the problem on a Cambodian basis. If you insist on the same accusations, then there can be no solution.

The Khmer Rouge should give up some of their deadlocked positions. Now after we have the Constitution and all the other institutions, what can we do if they insist that we should expel Chea Sim, Hun Sen, Tie Banh, and Sar Kheng? Is there any means to do that, brothers? Please, help me find one. Such a deadlocked position is unacceptable. They should open up and unlock. What does this mean? It means that his majesty the king has made a three-point proposal. First, there must be a cease-fire. I have repeatedly and earnestly begged the party of Democratic Kampuchea or the Khmer Rouge to accept a cease-fire. They have replied: Prince, you are wrong to say that we have broken the cease-fire; the truth is the Vietnamese and their puppets are the ones who have launched the attacks.

So, there has always been a deadlock. As I mentioned to you above, all their targets were the ANKI. I swear on my own head, not the heads of any Cambodians, that no Vietnamese could be found among the former ANKI soldiers at O Tuk, for example. No Vietnamese have forced me to do anything. Let me tell you that since I came to power I have met only twice with a Vietnamese. Maybe this evening or tomorrow I will see him one more time. I do not know why he is requesting an audience with me. The fact, is that for months since my coming here I have met with a Vietnamese only twice. I do not know whether or not other people have Vietnamese advisers, but personally I have none. When we decide to do something, I have never informed Hanoi of it. I met a Vietnamese for the first time when he came and told me that Mr. Vo Van Kiet had invited me for a visit along with Hun Sen when we were in the provisional national government. I met him the second time when he handed me an official letter. That is all. To call me a puppet, I feel most unqualified, for I have never reported to Hanoi. Therefore, [words indistinct].

So, how should we solve the problem? We should solve it through a cease-fire. We should cease the fighting. Then, what should we do next? Let me tell you that when there is a cease-fire, we will send experts, not committee members but experts from the Khmer Rouge and army experts from the KRAF to sit at a table and together work out concrete ways to solve the problem. How the on-the-spot investigations and so on are to be conducted will be worked out by these experts in the same manner as the former ANKI did with the former State of Cambodia in the past, for we are all Khmer. After we have solved the issues of cease-fire and integration of the armed forces, it is hopeful that we can solve the problem of lost territory.

[Words indistinct] there is no need to meet with Ranariddh if Ranariddh has never met with Hanoi. Why don't they just meet with Hanoi themselves? There can be no solution in that way. I tell you, brothers, I have never reported anything to anybody. In my past struggle, to be frank, I needed the backing of Thailand, for 10 years. But during those 10 years, I never reported to the Thai leaders. And to these days I have not reported to them.

[Words indistinct] now let us bare it all, brothers. The Khmer Rouge have charged that Ranariddh is colluding with the Vietnamese puppets. That kind of charge, for you, is very nice to hear. After the elections, they charge, I have not tried to reclaim the lost territory; I forget everything now that I have won much power and privilege; and finally I am colluding with the puppets. It is easy to believe all of that. But let me tell you this, if we take another step forward and look closer, we will see who really wants Their Excellencies Hun Sen, Chea Sim, et al. Not me. It is the Khmer Rouge themselves. It is because these excellencies are retained that the Khmer Rouge have the pretext to stay on. Without them, without the puppets, they would not have any pretexts to



stay. The only thing left for them to do would be to hand over Pailin and the log concessions to the Thai. Let us bare everything this time.

They should be [word indistinct] in their charges. They say Vietnam has annexed our territory, but they insist they will never return the Cambodian territory they are controlling as long as the Vietnamese do not return the occupied territory first. They are Khmer, and they have violated the Cambodian Constitution by declaring autonomy over a portion of Cambodia. They even hand over sovereignty of our territory to foreigners, and yet they insist that Vietnam should return our territory first. Let me cite an example to illustrate this for you. For example, let us suppose that you here are my son and you over there are, say, a stranger. Both of you have stolen my fountain pens and my son tells me: Dad, you must wait until the stranger returns the fountain pen first before I return this one to you. So, that kind of reasoning is unacceptable.

If they say this to me: Prince, we are sure that this and this and this area have been grabbed by Vietnam; we the patriots, such as Ta [Uncle] Pol Pot, Ta Mok, Ta Mau, Ta Ngok, and so on, would join you in the fight to liberate them.

Then I would answer: Agreed; let us do it.

His Excellency Thiounn Prasith, for example, who is an expert in international law, could very well have assured me of his assistance. He could have said this to me: Prince, I will help you, I will help the royal government in talks with Vietnam—and with Thailand, too; they must be even-handed in the negotiations—let us go, we, the legal experts, should help each other in reclaiming our land.

Then I would have answered: OK, OK. I agree.

It is not correct, it is not practical for just one side to point its finger at the other. I have to make it clear for you, my brothers, to understand, to have a clear view of what is really happening. Let the TV people take whatever pictures they want. I also need to make myself heard and seen. I cannot stand any longer that each and every other person claims to be the only patriot, the superpatriot, actually to the detriment of virtually everything. Let me tell you this: I will do my utmost to remove the floating hotel from in front of the royal palace. I know, that ship has a colossal backing. I am the enemy of no one, neither that of Thailand nor Vietnam. We need them because they are big countries around us. But they must also respect Cambodia's sovereignty. Cambodia must be master of itself [words indistinct] and must not remain a slave of anyone. That is unsupportable. I do not give a damn, [chuckle] but that thing has to be moved out. On the 14th, if it refuses to go I will send the police to surround it immediately. [applause] Please, please, do not applaud me. Let us make it clear. I am an enemy of no one, but I ask others to have some respect for us. To those who proclaim to be patriots, please have pity for me. Do not be one-sided patriots. Do not be patriots just

for the sake of their own groups' interests or for their own pockets. They should be complete patriots facing all directions. That is what I want to tell you, brothers.

[Words indistinct] in our future meeting I will also ask His Excellency Khieu Samphan to bring up something new to satisfy me. One thing that is new is for him to announce an official cease-fire before this dry season. I promise that the KRAF will also observe it. And we will let experts and not committee members meet to discuss. Afterward, we will move to a higher level. Let me stress here that no Cambodian has the right to turn Cambodian territory into autonomous zones or regions. Our Constitution does not allow that. Although we are Cambodians we are not authorized to do that. You should be very clear about it.

Concerning the Khmer Rouge problem, let me repeat again and again that I am resolute to solve it through peaceful means and will not permit any more Cambodian blood to be spilled. Some of you, though, might say that it is not the Cambodian blood but the blood of the Vietnamese and their puppets that is being spilled. If you have this kind of attitude, brothers, then do not expect any solution.

Concerning the issue of illegal immigrants in our country, I would like to inform you that I have earnestly demanded that the competent ministry, namely the Interior Ministry, draft an immigration bill to be submitted for passage by parliament. I would like to tell you that we are basing this law on some old Cambodian laws and enjoy the assistance of legal experts from Australia. The drafting is nearing completion, brothers. It will be submitted to our National Assembly for consideration and approval. This is necessary because our country is a lawful state. It must first have fundamental laws before solving this major problem on the basis of those laws. I assure you that after the National Assembly has ratified the bill, I will solve this problem in its entirety. Do not think that I choose to ignore this matter. However, do not forget that we have a great need for aid, especially aid from Western countries, such as the United States, where the human rights issue is of paramount importance. If we arrest or shoot at, say, the ethnic Vietnamese, our so-called lawful state would be dubbed a wild country and aid would not be forthcoming.

Therefore, we must solve this problem, for it is a vital problem to us. Any country could be faced with such a problem. However, our country is more unfortunate in that foreigners can come in and live here as they please. No Cambodians can go and live in Thailand or Vietnam at will. Therefore, what we ask for is just to do what other countries have been doing. Just do not consider us primitive, inhuman, or uncivilized. For that reason, we have to have a law, and this law is nearing completion. I have summoned [Interior Minister] Yu Hokkri for information and have been assured that the drafting of this law is nearing completion with the assistance of Australian experts. No one should be blaming us for committing any mistakes, for we have the help of Australian



experts. This law, however, is based on our old laws. It will be submitted to the National Assembly for consideration, debate, and passage. Once it is adopted, the royal government and the competent and relevant ministries will [words indistinct] solve through negotiations and [words indistinct]. I would like to inform you that it is very clear on this issue. There should be immigration laws, nonimmigrant visas, and so on, just like in Thailand, Vietnam, Indonesia, and other countries. Do these two countries [Thailand and Vietnam] allow hundreds of thousands of Cambodians to live in their countries? No. However, they can live in our country. Thus, there is no balance. I want to have this law. Again and again I repeat that this law is based on Cambodian law with (?many similarities) with that of Australia.

This second point is very important. What you have talked about is very correct. However, there are things that I can tell you [words indistinct].

The third issue is French and English languages. I would like to tell you today that I went to the Institute of Technology and clearly stated my stance there. In his statement, the king said the same thing or similar thing. He has clearly commented on this issue of French and English. He said he speaks and writes French better than English. However, for our country, he thinks that we should also learn English as an additional language.

I have said that we currently need the economy to attract neighboring countries; they all speak English. The king, however, understands that we should not abandon French. It is to our benefit to learn both languages. Therefore it is requested that France, who teaches French, not force Cambodians to give up English for French and that Britain, if it gives something to us, is requested not to prohibit Cambodian students from learning French [words indistinct] French and English should be taught together.

(?At the meeting of French-speaking countries), at a glance I noticed that all the (?reports and companies) were in English. My driver and my police escort all speak fluent English. I tried speaking English with them. They replied fluently in English. I then understood. [Words indistinct] at the meeting of French-speaking countries, both French and English were used. The reports were read in English, but they speak to one another in French and Creole.

As I said to you, in the technical and commercial sectors, English is the language. Let me relate this to you. The Prime Minister of Mauritius was the chairman of the meeting of French-speaking countries. For two years he was chairman of the Free Francophone Movement. At the last day (of the meeting), he rushed off, without even saying goodbye to his guests, to catch a plane to Cyprus to attend the Commonwealth meeting. And you know that the Commonwealth is British. The same night the meeting ended, he did not even say goodbye to me; he rushed off to take a plane to attend the Commonwealth

meeting, which is a British community. Here is a clever man. Therefore, we have to emulate this.

I have already made efforts regarding the Institute of Technology. Books and equipment have been arriving, but this is still not enough. There is a detailed program that should be respected. I do not know whether Cambodian lecturers are available yet; 40 are supposed to teach there. France will pay for these 40 lecturers to teach in Cambodian [words indistinct] particularly for the third and fourth classes. As for the school curriculum, there will be only one, and this will not be revised. Cambodian teachers will be hired in a gradual process toward teaching in Cambodian. I do not want to talk about this today; I just want to inform you that I have a program.

When I was in Mauritius, I met with the director of the institute there and said to him that this is the only way. At first he was not very happy with me saying that the purpose of my trip to the meeting of French-speaking countries is not clear. He referred to what I said during my visit the other day to the institute of technology and said I did not come out in clear support of the French language. I did not come to voice support for French. I said I was talking about Cambodia's interests. That was all I said. Just look at it; I fully support the king's stance. [Words indistinct] in French, and I have asked that it be translated into Cambodian.

Take the Faculty of Science. Japan will be providing everything there. The other day I urged [Japanese envoy] Imagawa and asked when this faculty will be built. Japan is supposed to provide everything there, the way France helps the Institute of Technology. I asked when this will be built. Please do it quickly. If Britain, Australia, and the United States want to build another institute of technology, I will say: Please go ahead and do it now, and teach in English.

Brothers, you said: What if we studied French and were unable to get jobs? I say in that case the royal government will be responsible. How? First, it will ensure that you know English and second to ensure that British companies take you once you have diplomas from the institute. They should take you. Leave this to us. Third, the royal government will have to take you. [passage indistinct for approximately two minutes in which Ranariddh talks about the Francophone summit saying certain leaders did not even speak French properly, and about demonstrations]. Some people are afraid of demonstrations. I am not afraid of demonstrations. On the contrary I think that you, brothers, and others... [pauses] today there is a demonstration at the Olympic market [words indistinct] this means that our Cambodia is becoming a country with freedom and that is adhering to democracy. Let me tell you that I am not afraid of demonstrations. However, I would like to remind you that rights and freedoms in countries like France, where I used to teach French law, there are also law-regulating demonstrations. It is not just in our country. In France and other countries that are democratic, they all have



this law, which is not very strict. I will revise this law and ask the authorities and point the way to avoid clashes and in particular affect the security of those staying nearby. In France, when there are demonstrations other people's houses are also affected. Therefore, please abide by the law. Please inform... [pauses] I would like to inform my brothers and make this pledge today: Please inform the authorities of the demonstrations and their objectives, for example about daily life, corruption, unemployment, lack of schools, and so on. Do raise these problems. I pledge and the royal government pledges to allow you to stage the demonstrations. I want to make this very clear. I understand these issues and my suffering has increased because so far we have been unable to provide solutions to you.

Concerning the problem at the Olympic market, we must solve it. I have immediately informed His Excellency [H.E.] Chhim Siekleng to summon Mr. Thai Bun Rong this evening and inform him about the issue: Our compatriots were expelled from the area in order to build a market; afterward, they could not return to the market because slots were not available unless they had money to buy one, \$50,000. Where can they get the money? They were expelled and now they cannot return. Frankly, this should be clearly spelled out. In France, loans are offered. In my view, first, \$50,000 is a bit much. Second, in France this is how it is done. Those who can afford to pay cash immediately will do so; this is cheaper. Those who do not have the money can borrow and pay back in installments with interest over a period of 10 or 20 years. It costs more this way. Now these compatriots cannot return. This is a problem which the royal government must solve. In any case, competent authorities should invite Thai Bon Rong to discuss this issue. [Words indistinct] I make this pledge to you: I am not going anywhere. All the issues you have raised, you will be allowed to continue doing so.

About associations, let me say this. We can also organize (?seminars). However, we should make a habit of sending the chairman or the committee to meet with ministers, myself, or H.E. Hun Sen, and so on. Make it a habit to have dialogue. I will do what I can for you. I would like to inform you [words indistinct] now I would like to talk to you about another matter. It seems that nobody is talking about it since we are at it.

For example the case of Mr. Thai Bun Rong and the aircraft. As a habit, such a person will provide things that are needed. I said: No, this cannot be done. I have no right to accept aircraft or ships from anyone. If you want to give something, give it to the state since the state needs it and does not have the money [chuckle]. Do not give me anything whatsoever. Give it to the state and when foreign guests visit, use it to carry them. Why do I say this? Because some countries, I am not naming any, look down on us saying our country lacks this and that, saying they have come to see us and wanted to go to Siem Reap in their own aircraft. I said No. You come to Siem Reap in your own aircraft... [pauses] come to Phnom Penh in your aircraft. However, if you want to go to Siem

Reap, the Cambodian national carrier will take you there. However, we will do this in a dignified way with competent pilots. We are poor but not that much inferior to you. However, our [words indistinct] if it crashed, there would be problems. This is why we are making efforts. The other day we lost an Antonov-24 plane in Koh Kong. That was just a few days ago.

[Passage indistinct] there because there are now so many tourists. Speaking of tourism, we must also settle the Khmer Rouge problem. If they (?are still out there), we will be in difficulty. Thus, no one wants to fight; everyone wants peace. The other day, a group of Japanese tourists wanted to travel from Hong Kong to Phnom Penh and then to Siem Reap. When they arrived in Hong Kong, they refused to go any further, asking what plane they would be flying from Phnom Penh to Siem Reap. The tourist authorities replied that it would be an Antonov-24. The tourists said that they would not come if it were Antonov-24. Thus, the group dared not visit and just stayed in Hong Kong. Because of this, we [words indistinct]. Yes, we are short of budget. This is why we must make efforts [passage indistinct]. But we should be mature. I want you to know that I have not and will never get involved with the former policies. If I did that I would not have come this far. He [Thai Bun Rong] told me that he will give me a motorboat, a very speedy one. I said thank you, where is the boat? Write a letter to donate it to the temple.

The other day, when prime minister [country name indistinct] came, the state had no means to take him around. Thus, I had to borrow motorboats from Their Excellencies Hun Sen, Nhim Vanda, and Say Chhum, and the Kandal provincial governor. This might be a cause for him to think that I, the first prime minister, might want one as well. But I told him: First, no sir, I am not asking you for it. Second, if they have already arrived, Where are they? Give one to the state. Make it a state property so that it will be convenient for traveling. This means that if I want to visit places, or go on a cruise, I will be able to do so; and when we have guests, we can take them around. But when I am no longer the first prime minister, this motorboat will still belong to the state; it will not belong to me. Thus, anyone who wants anything should ask for it from the state. The king father is much more intelligent than I am.

Learning that I want him to give the boat to the state, until now it has not yet been given. He wants to just [words indistinct]. I do not quite understand this. The boat has not yet reached the state. That is why I said the king father is much more intelligent than I. The king father accepts anything given. He will accept anything given and then transfer it to the state the next day. Therefore, the donors are happy. The donors are happy, are proud, because his majesty accepts anything they give. But the next day, his majesty always hands over the gift to the state. But I am much more stupid. This is because I do not want to hear anyone say that Ranariddh accepts gifts. I want them to go straight to the state. I do not want them to go to the state through me. When I said



they should be given directly to the state, nothing was done. I just want you to know this so that one day when you hear something about me, you will not be mistaken. In the future, if anyone gives me anything, I will accept it; but the next day, I will officially turn it over to the royal government. That is what I want you to know. [passage indistinct] a really democratic country, but we have laws. Thus, please respect the laws. If there is any problem, please explain the causes [words indistinct]. The royal government will settle the problems for you. We should pay attention to cleaning our cities, our schools. When I went to [words indistinct], I was asked whether I was satisfied, whether it was clean enough. I said it still did not look clean enough. So I said let us keep trying to do something. [Words indistinct] from Pochentong. We want them to be clean. I would like to ask all brothers to please help. The rich should set an example. Let me tell you about city cleaning. Formerly, our kingdom was very beautiful. [Words indistinct] one or two representatives of the people (?the chairman) of the students association to go with me to Singapore to see how they keep their country clean. Only by seeing an example of how to keep a city clean, can we do so with our own.

In 1965, after Singapore achieved independence, Mr. Lee Kuan Yew paid an official visit to our country, to Phnom Penh, the capital of our then Kingdom of Cambodia. When he returned, he told his people to do their best to make Singapore as beautiful as Phnom Penh. Singapore is now very beautiful, as beautiful as a heaven. But we in this 1993 have turned upside down [words indistinct]. They formerly learned from us, but now I have to ask Singapore to please send city planning experts to help clean up Phnom Penh. Is it not sad? They learned from us, but now we have to ask them for help. From 1965 to 1993, things have changed. Therefore, I would like to ask all brothers to please do anything to beautify your areas.

Concerning the money for building school fences, about which we thought of asking France for help, I think that we should not be so dependent on anyone. We should not always be dependent on someone else. We should do it ourselves, try it ourselves. I will tell Mr. Ing Huot [education minister] about the schools. Do not worry, [words indistinct] do it brothers. This is what I want to tell you.

Another issue that we must resolve is the problem of agriculture. This year, due to delayed and scarce rainfall, we will have a deficit of over 230,000—I do not remember whether it is 230,000 or 203,000—metric tons. But just put it as 203,000 metric tons. Therefore, we must find money to buy rice because we do not know whether we will have enough or not. I would like you to just think about next year [words indistinct]. I went to inspect the areas in Tak Hmau. During the past three years and how many days that I cannot remember [words indistinct] lost so much. Therefore, in my opinion, we who have survived should not let the loss of our people who died in building dams and dikes become a loss for

nothing. We should strive to restore those dams and dikes. This is a response, a return of gratitude from all of us who are still alive to our brothers, sisters, and parents who lost their lives while building these dams and dikes. This does not mean that we [words indistinct]. It is not so. But each year all students, officials, leaders, and those in the countryside should resolutely dedicate 10 or 15 out of the 365 days to restoring those dams and dikes. [Words indistinct] 15 days out of 365 days. It is imperative for brothers to do this. Not without food, but with sufficient food to eat as in the time of our king father when [words indistinct] enjoyed entertainment at night, during the day we work. I think that 15 out of 365 days is not a long period. We should restore [words indistinct]. I must tell you, brothers, that there are many dams and dikes. I often went out with the FAO [UN Food and Agriculture Organization] and saw this. I want students to take turns going out there (?with FAO). First, to inspect the possibilities for restoring and repairing the dams; and, second, to increase the yield. If we can increase the yield from 1.2 metric tons to 3 metric tons, we will certainly survive. That is how I would like to ask you to help. Can all of us throughout the country give our nation 15 out of 365 days?

Another problem is reforestation. It is very deplorable. The day before and yesterday, I went along Route 4 and saw that trees were almost entirely felled. A group of our poor people also felled some trees. They told me that if they did not earn from the trees they cut down, they would not be able to survive. It is also the duty of the royal government to deal with this matter. However, we must have a plan. We plan to ban any further logging. There must also be a reforestation plan. This is the first time in Cambodian history that we have so-called national parks. These national parks are absolutely untouchable because the restoration of national parks is decided by the king. We have had a so-called tree planting day, but this effort must be intensified.

Speaking about restoring the dams, all of you should not worry. I am asking the United States to give us machines, fuel, and so forth. This matter is linked to the Khmer Rouge issue. As I told you before, the Americans hate the Khmer Rouge so much. I told them that I do not ask for any weapons nor a single bullet. This is because, first, it is disgraceful to ask for weapons from foreigners to kill our own fellow Cambodians; second, using arms cannot solve any problem, anywhere. Thus, do not try this. Third, asking foreigners to kill our Cambodians again is no good. But I have continued asking the Americans to give us bulldozers, excavators, [words indistinct] if you want me to fight the Khmer Rouge, give me these tools. The Khmer Royal Armed Forces have 12,000 men. They will use these tools to restore dams and dig dikes, such as at Prey Nop where dozens of hectares of land were destroyed by salt water. The KRAF will restore that dike with the tools and machines given by friendly countries. This is so that the soil in the Prey Nop area will become fertile for planting rice. We must do this. It is social justice that will enable us to solve that problem. Building



roads and striving to improve people's livelihood constitute a big weapon that can resolve the problems that the Khmer Rouge raise for us to solve. Where there are roads, water, schools, medicine [words indistinct]. We must provide our children in all rural areas with text books, pencils [words indistinct]. Teachers must be given an appropriate salary. Only with all these can we resolve the Khmer Rouge problem. Dropping bombs cannot solve this problem. This is not my idea. But anyone who is unhappy and wants [words indistinct]. It does not mean that we will not provide security for the Cambodian people. The Khmer Rouge have derailed trains, causing death to innocent Cambodians [words indistinct].

Developing the countryside; restoring irrigation networks; and providing electricity so that many factories can operate, thus providing jobs for our Cambodian people, are the means to solving the so-called Khmer Rouge issue. I have told Mr. Khieu Samphan frankly that he should not do that anymore. I speak out frankly. I do not want to fight on. It is time to enable our country to survive. [Words indistinct] about Vietnamese immigrants, you should come to help H.E. Yu Hockri and the Australian experts examine the immigration law, whether it is [passage indistinct].

When will we stop relying on foreigners? I must apologize to all of you, but I feel bad, too. It is difficult to solve this problem.

In conclusion, I would like to tell you that as long as we continue to quarrel and are disunited this way, it is impossible to solve the border problem. Thailand has urged me to settle the border problem right now [words indistinct]. I already told H.E. Hun Sen that it cannot be solved right now and I will not enter in these talks with him. Bargaining from a position of weakness will not work. We are not yet strong enough internally. It was possible during the time of Sangkum Reas Niyum because we were strong. No one dared violate Cambodia's territorial integrity because Sangkum Reas Niyum was strong, our people were strong, the head of state was strong, and the royal government was strong. We were then unified. No one dared. But now the Thais are urging us to negotiate because they are rich and have the backing of our Cambodians, those who serve them. The Thais are urging us to discuss the western border problem because they know that we are internally weak. I will not. Brothers, it is not that I do not want to, but we are not yet strong enough internally. After we settle our economic problems, develop our country, and achieve national reconciliation, and when we are firmly united, then we will see. Do not urge me now; I am not going. To tell you the truth, I will not go. Anyone who wants to go, go ahead. But I will not.

Therefore, our biggest priority is to solve the problems of the Khmer Rouge, national development, and so forth so that our Cambodia will be internally strong. Only by then, we will talk with them. Only then will our words be strong and have weight. Since the time I returned from

the United Nations, I was urged to discuss this matter. I just said alright, we would talk. But I will not. That was because they [passage indistinct].

When I went to Sihanoukville, I was surprised to see so many hundreds of trawlers equipped with modern machines. They have Cambodian plates but all of them belong to the Thais. They trawl in our waters and sell the fish (?in our country). I said if they do that a few more times, I will order all of them burned down. Whatever they want to say, say it. They look down on us because we are not united. It is because we still refuse to solve the Khmer Rouge issue and all other problems. I told Mr. Khieu Samphan that this problem must be settled, otherwise Cambodia's days will be numbered. He should realize all these problems. [passage indistinct] That is because we lack unity, because we still quarrel. If we mobilize all our strength to develop our dikes, agriculture, and tourism, our country will be strong. Then no one will ever dare to (?bully us). We will be as strong as in the time of Sangkum Reas Niyum. [passage indistinct]

I hate the talk, talk, and fight, fight, fight. If there is talk, there should be no fighting. If there is a fight, there is no talk. I want that to be clear. We should not talk, talk, fight, fight. We should stop fighting and start talking [words indistinct]. Each just wants to use the fighting to pressure one another. So do not do that. We should stop fighting. But if talking fails, (?fight) then. But for how much longer should the fighting continue? Please have mercy on the people. [Words indistinct] should be enough, right?

What more do you want? I have already agreed on settling the territorial problem. But this problem must be resolved from both sides. Concerning the immigrants, I have said that an immigration law is being drafted. Then what more? I would like to ask what else do you want to talk about? The problem of Vietnamese puppets? I already told you that I have never been a puppet.

[Indistinct question by an unidentified student]

[Ranariddh] [Words indistinct] that is what you said. I did not say it. I think that Mr. Khieu Samphan [passage indistinct]. But you should get this clear. I will go there in my own name, Ranariddh, and not on behalf of the royal government. We will try to find a formula, a way out. Ta Mok might not agree but Ta Pol Pot might. This is because if Ta Pol Pot disagrees, H.E. Khieu Samphan seems to be in a difficult position. Ta Mok is [words indistinct]. I know that a large group of Khmer Rouge officials in the upper echelons want to settle the problems, want to set up (?a party). Within the next four to five years, they want to stand in elections. Many of them want to help the royal government. They realize that what we, I especially, are doing is not for our own benefit. They know that I will solve all the problems gradually. But another group still disagrees. That is the problem. [passage indistinct]



### Amount of Monsoon Rice Planted Nationwide Noted

*BK0812131493 Phnom Penh AKP in French 0401 GMT 8 Dec 93*

[Text] Phnom Penh 8 Dec (AKP)—According to the statistics compiled by the Agronomic Department under the Ministry of Agriculture, Forestry, and Fisheries, by mid-October farmers throughout the country had completed the planting of monsoon rice on 1,697,800 hectares, that is, more than 80 percent of their plan or 3,300 ha less than the same period last year.

During the past period, more than 83,200 ha of different strains of rice in the provinces of Kompong Thom, Pursat, Kompong Speu, Svay Rieng, and Takeo were destroyed by a prolonged drought.

To redress this situation, the Ministry of Agriculture, Forestry, and Fisheries simultaneously distributed a quantity of rapid-growth rice seeds and fuel and a number of water pumps to the local farmers in order to replant the rice acreage damaged by the natural calamities.

Besides rice growing, during the same period they planted more than 110,100 ha of subsidiary food crops and more than 36,200 other ha of industrial crops.

For the 1993-94 dry season, the whole country plans to grow 160,000 ha of short-term rice.

## Indonesia

### Reportage, Commentary on Failed PDI Congress

#### Home Minister Comments

*BK0712135393 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 7 Dec 93*

[Text] Home Minister Muhammed Yogie S.M. said the Indonesian Democratic Party's [PDI] extraordinary congress or KLB, which was held in Surabaya from 2-6 December 1993, failed to consummate its duties, particularly to the organization's commission, which was responsible for solving basic and internal issues and the formation of the PDI leadership for the 1993-98 period.

In a written statement issued by Home Minister Yogie S. M. in Jakarta today, the minister stated that the KLB failed in its duties to solve issues related to the party's internal and basic budgets and also the formation of the party leadership—the latter task being the responsibility of the organization's commission. The committees in charge of policies and programs, which were set up by the KLB plenary session, were able to consummate their tasks.

The home minister also stated that the government will summon all those connected with the holding of the extraordinary congress, such as the caretaker [preceding

word in English], the PDI leaders, Megawati Sukarnoputri, the Group 17, and others.

According to the home minister, the government had recorded several aspirations and attitudes that emerged during the extraordinary congress. He said the meeting with the PDI members was aimed at clarifying the decisions achieved at the congress session by the program and political committees besides providing clarifications on the formation of the party's leadership for the 1993-98 period. In the statement, there was no mention of the venue, time, or date when the government and the PDI members would meet.

The home minister expressed hope that people would remain calm and allow the relevant authorities and PDI to resolve the issues and urged them to refrain from making wild statements or speculation which could further aggravate the situation.

#### PDI Official Assigns Blame

*BK0712135593 Jakarta ANTARA in English 1320 GMT 7 Dec 93*

[Text] Surabaya, Dec 07 (ANEX/ANTARA)—The leader of the extraordinary PDI (Democratic Party of Indonesia) congress Monday blamed members of the government-supported board of party caretakers and "party rebels" for triggering a conflict that causes the convention to end in failure.

Sardito Dharsuki, chairman of the congress, said the party caretakers and the rebels who are also known as "Kelompok 17" (Group of Seventeen) continued to "terrorize" him to include them in the new party central executive board. They wanted 40 percent of the positions in the new executive board as implied in a statement by a spokesman for the party caretakers at a session of the congress' organizational commission, Dharsuki said.

But supporters of Megawati Sukarnoputri, former President Sukarno's daughter whose candidacy as party president won the congress floor's overwhelming support, rejected the caretakers and party rebels demand, saying that the party needed capable people to unite the party, not just people representing certain groups.

Megawati's rival as party president candidate was Budi Harjono who appeared to have government backing.

On the day before the congress came to a virtual conclusion, 85 percent of its participants stated in a general debate they wanted election of the party president by casting ballots but the party caretakers and rebels refused to go along.

The party caretakers and rebels instead called for a system whereby the congress could appoint a special committee empowered to name the party president and members of the party central executive board.



The controversy about which election system would be applied to select the party's top officials caused several congress sessions during the last two days to end in deadlock.

After the congress still failed to agree on a system for the appointment of central executive board leader and members on Monday, Megawati announced herself as de facto president of the party after delegates from 27 regional party chapters expressed their support to her candidacy.

The congress was scheduled to be closed by East Java governor Basofi Sudirman but by midnight on Monday it was still unclear whether the congress was continuing or had ended. Most congress participants remained at the venue of the congress Monday night until police came to disperse them.

### **Suharto Urges Continued Efforts**

*BK0912110893 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 9 Dec 93*

[Text] President Suharto has called for continued efforts to conclude the extraordinary congress of the Indonesian Democratic Party [PDI]. Home Affairs Minister Yogi S.M. said this to reporters after calling on President Suharto at the Bina Graha Presidential Office this afternoon. According to the minister, the caretaker of the PDI extraordinary congress has asked the government to settle the matter. The government says the PDI extraordinary congress, which had ended inconclusively, has to be finalized as soon as possible. In this regard, Home Affairs Minister Yogi S.M. as patron of domestic politics said he is ready to meet the persons concerned any time.

[Begin Yogi recording] I informed the president that the PDI extraordinary congress in Surabaya had ended inconclusively. What to do now? I will summon PDI groups to seek their opinions about the current development. The government cannot just remain indifferent but has to do something. Moreover, the caretaker of the PDI Central Executive Council has asked the government to help settle the matter. I say that, God willing, I will help you. As I said yesterday, the sooner the matter is settled the better it will be. The government is ready to intervene now, this evening, tonight, or any time. However, this will greatly depend on the PDI itself. [end recording]

The minister said developments in the PDI's inconclusive extraordinary congress in Surabaya were something normal in democratic life. The people are asked to remain calm and avoid making statements that will worsen the situation. In this regard, the government will not remain indifferent but will do something because the PDI is a national asset.

### **Dailies Surveyed on PDI Congress**

*BK0812102893 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 8 Dec 93*

[From the press review]

[Text] POS KOTA notes with concern the failure of the Indonesian Democratic Party's [PDI] extraordinary congress held in Surabaya. The daily notes that the extraordinary congress (?miserably) failed to establish the party's 1993-98 central executive leadership. Therefore, POS KOTA hopes that the final decision or steps to be taken by Home Minister Yogie S.M. would be accepted by all parties so that no problems would arise in the future.

Meanwhile, REPUBLIKA also notes the failure of PDI's extraordinary congress and the difficult democratic process. The people (?considered) that PDI did not fail alone; it was also a failure of all parties—including the new order, the central authorities, and Golkar. PDI's failure is also Indonesia's failure and [words indistinct] should try to redeem it.

KOMPAS is anxious to know the fate of the PDI leaders. KOMPAS desires to know how sensitive and serious Indonesia is in its attempt to eliminate all the problems that emerged during the PDI's extraordinary congress.

PELITA states that PDI's failure in its congress sessions in Medan and Surabaya was but a political incident, which indicates PDI's level of its political maturity in the existence of our national politics. PELITA offers three options for the settlement of the problem. First, the congress should wholly let the government solve the problems. Second, through reviewing the establishment of the PDI caretaker, which consists of the party's 27 provincial representatives, the provincial party heads should congregate and elect a general chairman. The heads and the newly elected general chairman should, hand in hand, expeditiously form a comprehensive PDI executive committee for the 1993-98 period. Third, according to PELITA, is to give an opportunity to Megawati—who in de facto acquired an 85-percent support from the PDI's nationwide branches—to establish the executive committee. The government, the various provincial committees, and the leaders of the congress should recognize the formation of the executive committee. These alternatives are proposed because Indonesians are still hoping that the PDI will become a major player in our national politics which should be healthy and mature, so that it may actively participate in national and social development.

MERDEKA also tries to abate the PDI's internal conflict by employing a more rational and wiser method. It is reminded that the country's well-being is far more important than the well-being of a short-lived interest. Apart from this, MERDEKA urges that all parties be prudent and peer at the prevailing reforms that are currently focused on democracy because only through democracy will our nation and its people will be more venerable.



**Laos****CPC Delegation Arrives on 5-Day Official Visit**

*BK0812085193 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 8 Dec 93*

[Text] A high-level delegation of the CPC Central Committee led by Comrade Ding Guangen, member of the Political Bureau and Secretariat, and head of the Propaganda and Training Board of the CPC Central Committee, arrived in Vientiane for a five-day official friendship visit to the Lao People's Democratic Republic [LPDR]. The visit is scheduled to take place from 7 to 11 December.

Comrade Ding Guangen and his delegation were welcomed upon their arrival at the Wattai international airport by Comrade Thongsing Thammavong, Political Bureau member of the Lao People's Revolutionary Party [LPRP] Central Committee and head of the Organizing Committee of the Party Central Committee, and Comrade (Guang Mugu), charge d'affaires of the PRC to the LPDR, along with many high-ranking cadres from the Office of the LPRP Central Committee.

During the five-day visit, the CPC delegation is scheduled to meet and hold consultations with a high-level LPRP Central Committee delegation, pay courtesy calls on comrade party and state leaders, and visit a number of economic, cultural, and social establishments in Vientiane capital and Vientiane Province.

At 1500 on the same day, the CPC delegation laid a wreath at the monument of unknown Lao combatants in tribute to revolutionary Lao combatants who sacrificed their lives for the nation. It also visited the That Louang pagoda temple before returning to the residence. Later, on the evening, Comrade Thongsing Thammavong held a banquet at Lan Xang hotel in Vientiane in honor of Comrade Ding Guangen and his delegation. Traditional Lao performances were also organized for the CPC delegation after the banquet.

**Talks Held With Visiting Delegation**

*BK0812152393 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 8 Dec 93*

[Text] This morning, the high-level delegation of the Lao People's Revolutionary Party [LPRP] headed by Comrade Thongsing Thammavong, member of the LPRP Central Committee Political Bureau and head of the LPRP Central Committee Organizational Board, held talks with the high-level CPC delegation headed by Comrade Ding Guangen, member of the Politburo and CPC Central Committee Secretariat and chief of the Propaganda and Training Board of the CPC Central Committee, at the office of the LPRP Central Committee in Vientiane capital.

The two sides informed each other about the outcome of the promotion of friendly bilateral relations. The CPC delegation conveyed the warm greetings of the CPC

Central Committee and the Chinese people to the Lao party and people. The two sides also informed each other of the new situation in the two countries with the aim of strengthening mutual understanding in their respective execution of economic development and reforms.

The two high-level delegations also intimately exchanged views on various issues, noting that they have consistently strengthened mutual understanding, for example in the trading sector, which has developed noticeably. They expressed satisfaction at witnessing the friendship visit to the PRC from 3 to 7 December of Comrade Khamtai Siphandon, chairman of the LPRP Central Committee and prime minister of the Lao People's Democratic Republic, and his friendly talks with Comrade Jiang Zemin, general secretary of the CPC Central Committee, and Comrade Li Peng, premier of the PRC. During this visit, the two sides also signed a border demarcation treaty to legalize their common border, expressing confidence that it would remain one of lasting peace and equality, and acting as a firm foundation that would gradually strengthen Sino-Lao relations.

At the talks, the two high-level delegations also expressed the conviction that the relations of friendship between Laos and China will be further developed and bear more fruit. Laos and China are good neighbors with long-standing good ties. The two sides pledged to firmly adhere to the party leadership and to march along the socialist line to develop their respective societies and to raise the living conditions of their own peoples. This is the fundamental and common objective for developing mutual cooperation between the two sides.

**Japan Grants Aid for Development Projects**

*BK0712121393 Vientiane KPL in English 0755 GMT 7 Dec 93*

[Text] Vientiane, Dec 7 (KPL)—1. The Government of Japan has decided to provide a grant aid of about 1,247 million yen (equivalent to U.S. dollars about 11.5 million) to the Government of the Lao PDR [People's Democratic Republic] for implementing the following three projects in 1993:

- (1) the integrated agricultural rural development project in Savannakhet Province (Phase 1)—498 million yen (U.S. dollar 4.6 million);
- (2) the groundwater development project in Vientiane Province—592 million yen (U.S. dollar 5.5 million);
- (3) the debt relief assistance for the latter half of the fiscal year 1993—157 million yen (U.S. dollar 1.4 million).

2. The exchange of notes on the grant aid was executed between H.E. [His Excellency] Mr. Phongsavat Boupha, vice-minister of foreign affairs and H.E. Mr. Masao Wada, ambassador of Japan, on December 6, 1993 at the Ministry of Foreign Affairs.

3. The integrated agricultural rural development project in Savannakhet Province aims to construct the irrigation



facilities and to improve the rural infrastructures like the roads, water supply facilities, etc.

4. The groundwater development project in Vientiane Province is to supply drinking water to the villagers at more than 50 villages through the construction of the deep tube wells.

5. The debt relief assistance for the latter half of the fiscal year 1993 amounting to 157 million yen is to be used for purchasing materials necessary for the social and economic development of the Lao PDR.

6. In early 1993, the Japanese government has already provided a grant aid to the Lao PDR for the following projects:

(1) the improvement of water supply facilities in Vientiane Municipality (Phase 2)—1,335 million yen (U.S. dollar 12.7 million);

(2) the provision of road construction equipment for National Road No. 8—749 million yen (U.S. dollars 7.2 million);

(3) the increasing food production project—500 million yen (U.S. dollars 4.7 million);

(4) the debt relief assistance (the first half of the fiscal year 1993)—221 million yen (U.S. dollars 2.1 million).

#### **PASASON on Need for Comprehensive Defense**

*BK0812132393 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 7 Dec 93*

[PASASON 6 December editorial: "Actively Consolidate National Defense and Public Security Maintenance Organizations Among the Masses in a Comprehensive Manner"]

[Text] In almost a year, the situation in our country in all respects has gradually returned to normal and become peaceful, thus creating favorable conditions for the multiethnic Lao people to more effectively concentrate efforts on socioeconomic development tasks. Nonetheless, the world continues to change in a complicated manner. This calls on all of us to constantly heighten a sense of vigilance in all fields.

National defense and public security work remains the most important duty of our entire masses. After mobilizing and building the grass-roots, the national defense and public security maintenance forces from the grass-roots level upward have been further consolidated in terms of quality and organization. The armed forces and public security forces continue to be the backbone in our country's defense and public order maintenance. They remain loyal and faithful to the party, state, and new regime; continue to maintain the fine traditions of the Lao People's Army; are determined to overcome all difficulties and to effectively fulfill their duties; and are capable of completely safeguarding our territory and waters, thereby ensuring our political and social stability.

In parallel with these achievements, our country continues to be plagued with certain weaknesses and residual problems. For instance, national defense and public security maintenance work has not yet become a movement among the entire masses. It is also not closely linked to economic development and public order. For example, security in a number of districts has not yet been guaranteed. Certain acts of negativism in society such as burglary, theft, accidents, and law violations occur frequently and have become rampant. This is because we have yet to firmly grasp and correctly implement the party's policy on national defense and public security maintenance work among the entire masses; the party's direct and allround leading role toward the armed forces; and the party's policy in turning toward the grass-roots to build national defense forces. At the same time, the party's armed forces policy has yet to be effectively implemented in some areas.

To enable the party's policy on national defense and public security maintenance work among the entire masses to be fruitfully and comprehensively implemented, it is necessary that all organizations, services, localities, and people strongly promote the rights to mastership among the people of all tribes and strata, so that everyone and every type of work from the grass-roots level upward are linked to it. For example, attention must be paid to providing political and ideological education to the people, consolidating their stand, firmly strengthening their internal unity, and relations among the party, administration, and people of all tribes and strata. At the same time, efforts must be made to strengthen the armed forces and consequently bettering their quality so that they will become politically, ideologically, and organizationally firm. There must also be efforts to build allround strong companies, and to transform local militia and public security units into strong forces that could resolve problems on the spot.

Our national defense at present is allround in nature. Its essence is to safeguard national independence, sovereignty, and territorial integrity; the lines, plans, and policies of the party and state; the revolutionary forces; and our people's labor in working to build the country in peace. Therefore, it is the common responsibility of all levels, services, and Lao citizens to focus their physical effort and wisdom to effectively fulfill our national defense obligations under all circumstances. This is to score profoundly significant achievements to welcome the 45th 20 January founding anniversary of the Lao People's Army.

#### **PASASON Reiterates Peaceful Foreign Policy**

*BK0912115993 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 8 Dec 93*

[PASASON 8 December article: "The Lao People's Democratic Republic Has Always Adhered to its Correct Foreign Policy"]



[Text] Respected listeners, Article 12 of the Constitution of the Lao People's Democratic Republic [LPDR] stipulates that the LPDR pursues a foreign policy of peace, independence, friendship, and cooperation, broadening relations and cooperation with all countries on the basis of the principles of peaceful coexistence, respect for each other's independence, sovereignty and territorial integrity, noninterference in each other's internal affairs, equality, and mutual benefits. The LPDR supports the struggle of people in the world for peace, national independence, democracy, and social progress. This is the major content and true essence of Laos' political, foreign policy. Resolutely adhering to this correct, appropriate policy, our country has successfully won ever more fruitful achievements in implementing the new, restructuring policy of the party and government, namely the policy of establishing a market economy.

In light of present world and regional situations which are complicated and changing, the LPDR has done its utmost to contribute to helping all cases of disputes and problems in the world or in regions to develop in a positive manner, and to create favorable conditions for various parties or countries concerned to settle problems through negotiations and cooperation. Nevertheless, as of now, genuine peace to which various nations throughout the world have looked forward for a long time has not been realized yet. Major conflicts and disastrous events have continued to take place in one area or another from north to south. It is true that certain conflicts in certain regions have been satisfactorily settled, but other conflicts, such as those concerning ethnic, racial, and religious problems, have continued to occur in many areas in a violent manner, thus causing uncertainty and instability in the world.

No one can deny the fact that in Europe, the situation in the Republic of Bosnia has remained tense and even become worse to the extent that the genocidal war has threatened peace and security in the region as well as in the world. In South Africa, the situation has also remained uncertain. It is sad to see that violence and disputes have continued to take place in many areas. The situation in Somalia has remained as a cause of concern. In the Middle East, significant steps have been taken in an effort to seek a means to comprehensively settle the disputes between Israelis and Arabs, such as the agreement on self-rule in the Gaza Strip and Jericho which was signed in Washington on 13 September 1993. Until present, various progressive nations have hoped that the said agreement will enable all conflicting sides to achieve mutual trust and march forward to appropriately settling the common problems in an honorable manner for all sides concerned in conformity with Resolution No. 202 of 1967 and Resolution No. 338 of 1973 of the UN Security Council. In western Asia, various peace-loving nations in the world have called on all parties concerned in Afghanistan to end their fighting in the interest of national concord, peace, and security in the region. On the Korean peninsula, the Lao people, as well as other people in the world, welcome efforts to turn the region

into a nuclear-free area with peace, stability, and cooperation in the interests of Northeast Asia and the world.

In Southeast Asia, relations and cooperation between Laos and various countries in the region have entered a new era. The LPDR has participated as an observer for the first time in the ASEAN ministerial meeting in Singapore. Laos has also held meetings with ASEAN countries on many occasions to discuss broadening cooperation in many fields. The meetings were considered favorable steps leading to the achievement of good relations and cooperation with various nations in the region.

Concerning relations with Vietnam in the past as well as presently, party and state leaders of the LPDR and the SRV have firmly reiterated that the parties, states, and fraternal peoples of Laos and Vietnam have always strived to promote and expand their relations of special friendship and mutual assistance in the national salvation struggle in the past as well as in the cause of national construction and defense in the present for the benefit of the two peoples and in the interests of peace, tranquility, and development in Indochina and the world.

With the PRC, relations and all-around cooperation between Laos and the PRC have been fruitfully developed in the recent past and in particular in the present. The regular exchanges of delegations in various fields, from the central down to the local and grass roots levels, have significantly contributed to deepening the promotion, expansion, and strengthening of relations, cooperation, and mutual assistance between the two states and peoples.

Respected listeners, all these are the fruits of implementing the correct and appropriate foreign policy of Laos. They are considered the concrete achievements and activities of the party, government, and multiethnic Lao people. As the aforementioned achievements and activities have appropriately reflected, the full content of the correct and appropriate foreign policy of Laos, the LPDR Government has gained ever wider support and sympathy from the world community. As a result, the roles and prestige of the LPDR have been daily raised to an ever higher level in the international arena as it is today.

## Philippines

### Government, Rightist Rebels Form Committee

BK0712103093 Manila MANILA BULLETIN (in English 3 Dec 93 pp 1, 8

[By Cena de Guzman]

[Text] A technical working committee was formed yesterday by the government panel and rightist rebels to tackle substantive issues, such as reforms in the military, electoral process and bureaucracy, during the peace talks which resumed yesterday at the Philippine Center for



Economic Development building in U.P. [University of the Philippines] Diliman, Quezon City.

The technical working committee will tackle five working points which were submitted by the Rebo-lusyunaryong Alyansa Makabansa (RAM) [Revolutionary Nationalist Alliance] for discussion by the two groups.

Former Colonel Danilo Lim said "the ongoing peace talks are a very crucial part of the process considering that this is the meat of the whole exercise."

Rep. Roilo Golez of the government panel, said, "We are now proceeding to the substantive part."

"We have broken into five technical working committees and each committee will have its own leader and members both from the government panel and the rightist rebels," Lim said.

The five working points will compose of the national security and armed forces which will be headed by Rear Admiral Armando Madamba of the government panel and Capt. Proceso Maligalig of the RAM; the political reforms and local government to be headed by Chief Supt. Percival Adiong of the government panel and Colonel Galvez of the rightist rebels; electoral reforms to be headed by Rep. Roilo Golez of the government panel and a lawyer of the rebel panel; administration of justice to be headed by Fiscal Melchor Sadong for the government and Major Valencia for the rebels, and a head for the socio-economic reforms committee who is still to be elected.

The panels will deliberate on what was discussed during the peace negotiations after which a draft will be submitted to the Chief Executive.

Lim also said both the government panel and the rebel panel are now on the right track, adding that "after two months of delay, we are proceeding on the right direction but we have to admit that the delays in the past were caused by, on the part of both panels, bureaucracies."

#### **Biazon**

Sen. Rodolfo G. Biazon, chairman of the Senate Peace, Reconciliation and Unification Committee, asked President Ramos yesterday to declare the usual six-day suspension of offensive military operations to 31 days during the Christmas season to give respite to both government soldiers and rebels.

Biazon made the request in Senate Resolution 702 which states that the suspension of a longer cease-fire from 16 December to 15 January would bolster the harmony and confidence established by the ongoing peace process.

The peace process, Biazon said, has achieved substantial gains by minimizing suspicion and discord among the participating groups "and a suspension of offensive military operations during the Yuletide period will push the gains further."

"Previous cease-fires during the Christmas season have proven to be effective because of the mutual acquiescence of all parties to its purpose, resulting in a substantial drop in the incidence of armed encounters between the contending parties," he said.

The season of Christmas, after all, symbolizes the quest of Christians for "peace and goodwill to men," Biazon said.

#### **Tribal Group Supports for Anti-Insurgency Drive**

BK0712092993 Manila MANILA BULLETIN in English 3 Dec 93 pp 1, 7

[By Mike Crismundo]

[Text] Prosperidad, Agusan del Sur—The Communist Party of the Philippines [CPP] and the New People's Army (NPA) suffered a big blow when 120 tribal datu [chiefs] and chieftains in Mindanao, led by Datu Haudon Tagleong Kugit, vowed to support the Ramos administration's campaign against the communist insurgency.

The tribal leaders' message was relayed to Northern Mindanao 4th Infantry Diamond Division chief Brig. Gen. Clemente P. Mariano, at the culmination of a three day tribal datu-chieftain consultative and live-in seminar here.

Native leaders gave Mariano the title "Datu Amay Sungko-Onon" or commander whom they can turn to in the fight against communist rebels in their respective provinces and towns.

They also asked the government to fully support them in terms of guns and logistics and give them permanent status and placement in the Armed Forces of the Philippines' Citizen Armed Forces Geographical Unit (CAFGU).

Maj. Henry Cinco, spokesman of the 4th Infantry Division, said the tribal chieftains were immediately organized into United Lumad Organization (ULO), the counterforce against the NPA's Pulahang Bagani Yunit (PBY) unit after the seminar.

The ULO was initially given a lecture on intelligence gathering, national reconciliation, peace and amnesty process, and the rise and fall of communism.

The tribal groups are composed of Manobu, Higaonon, Banwaon, Kamayo und Mamanwa.

#### **Cult**

Camp Rafael, Rodriguez, Butuan—Three members of the religious cult "Sagrado Corazon [Sacred Heart] Sr." were beaten up, dragged and ordered to stand in line, then sprayed with Armalite bullets by alleged members of the New People's Army (NPA), before horrified



village folks at Sitio [village district] Calaitan Gamay, Barangay [village] Sangay, Buenavista, Agusan del Norte.

Chief Inspector Ramon Espiritu, spokesman of the Agusan del Norte Philippine National Police (PNP) identified the victims as Leonardo Villacotes, 39, and his brothers Zacarias, 28, and Juan, 18, all of Barangay Guinabsan of the same town.

A report to Northern Mindanao director Chief Supt. Alfonso Mora by Supt. Evaquito de los Santos, Agusan del Norte PNP director, said the alleged slaughter was reported by villagers to the Buenavista police station commander Inspector Victor Tindoy.

Witnesses told police investigators that the NPA's, armed with five M-16 Armalite rifles, three M-14 rifles and two M-203 grenade launchers arrived at the village and rounded up all the residents.

The rebels identified the cult members. Then, the commander of the armed group asked the brothers to lay down their bolos and amulets but the brothers resisted, the police report said. Angered, the rebel commander ordered them shot dead.

#### Anti-Sison

Hardline communists who are against the leadership of Communist Party of the Philippines (CPP) Chairman Jose Ma. Sison (Joma) vowed to support the Kilusang Mayo Uno's (KMU) [May First Movement] demand for a P35 [Philippine pesos] across-the-board wage increase.

A spokesman identified only as "Ka Jorge" said that the Alex Boncayao Brigade (ABB) of the New People's Army (NPA), the armed wing of the CPP, will support the KMU wage hike demands.

#### Roundup of Rebel Activities for 27 Nov-3 Dec

BK0712092793

[Editorial Report] The following is a roundup of reports of Philippine rebel activities from Philippine media monitored by Bangkok Bureau from 27 November-3 December. Source information is given in parentheses at the end of each item.

27-29 November

No fileworthy items monitored.

30 November

A leader of the Sparrow Unit (New People's Army Hit Squad) of Central Luzon was captured by government authorities. The suspect was identified as Alfredo Chantengco, allegedly the commanding officer of the Sparrow Central Luzon Regional Committee. Chantengco was arrested by policemen inside a shopping mall in Quezon City. The suspect is wanted by the police for a series of killing and robbery. Chantengco is one of the ten most

wanted persons in the communist movement of Central Luzon. (Quezon City PTV-4 Television Network 300500)

A New People's Army member was killed and many others were wounded in a 20-minute firefight that ensued when elements of the Army's 30th Infantry Battalion (IB) were conducting combat operations and chanced upon the heavily armed communist guerrillas who were reportedly on their way to a village in Agusan del Norte. Meanwhile, elements of the Army's 8th IB captured a camp of the main regional guerrilla unit Kamandag Force in a village in Agusan del Sur. (Manila MANILA BULLETIN p B-20)

1 December

Four NPA guerrillas, including a woman, were killed in an encounter with the Army's 31st IB in a village in Quezon. Recovered from the site of the encounter were three M-16 Armalite rifles, one Garand rifle, live ammunition, documents and personal effects. (Manila MANILA BULLETIN p 12)

2 December

A couple, who are NPA members belonging to a propaganda unit operating in Mindoro Oriental surrendered to police authorities in Calamba, Laguna. The couple, who brought with them their six-month old daughter, said they are tired of their "hide and seek" lifestyle in the mountains and decided to go back to the fold of the law because of the government's sincerity in its reconciliation program. (Manila MANILA BULLETIN p B-13)

Seventy-five members of the Moro National Liberation Front's (MNLF) "lost command" headed by its commander and its assistant field commander operating in the towns of Lambayong and Tacurong and in nearby areas of Maguindanao surrendered to the chief of the Regional Command 12 of the Philippine National Police after four months of negotiations. The separatist rebels later turned to lawlessness and cattle rustling after their leader, a top MNLF commander, was killed, and their bid to join the Moro Islamic Liberation Front was denied. The rebels yielded 27 assorted firearms. (Manila MANILA BULLETIN p B-13)

Top communist leaders of Bicol, led by the National Democratic Front regional chief, NPA regional and district chairmen, field commanders, and 47 armed regulars surrendered to the Army's 2d Infantry Division commanding general after more than two months of negotiations. The surrender of the top Bicol rebels was an offshoot of the rift between Jose Ma. Sison, self-exiled Communist Party of the Philippines chairman, and Romulo Kintanar whom Sison expelled as NPA chief of staff. (Manila MANILA BULLETIN pp 1, 25)



## Thailand

### Seizure of Khmer Rouge Arms Cache Detailed

*BK0812140593 Bangkok MATICHON in Thai 8 Dec 93 pp 1, 30*

[Text] Acting Police Director Police General Prathin Santipraphop, accompanied by Deputy Police Director Police General Chan Rattanatham, Assistant Police Director Police Lieutenant General Pracha Phromnok, and Central Investigation Police Chief Police Lieutenant General Thanu Homhuan, held a news conference at the Highway Police Headquarters at 1200 on 7 December. According to them, the police at 0300 on 7 December stopped a ten-wheel rice truck, license plate Chanthaburi 80-5651, heading for Pong Nam Ron District near the Cambodian border. The police team, led by Police Major Montri Manchit, stationed at the checkpoint on Highway 317 between Chanthaburi and Sa Kaeo, Tambon [Sub District] Thapsai, Pong Nam Ron District, Chanthaburi Province, searched the truck.

Pol. Gen. Prathin said Warrant Officer Phaibun Saphaibun, chief of Thapsai Police Station, stabbed the sacks of rice, and hit some pieces of wood. He thought they were illegally felled logs. But when police removed the canvas cover and searched the entire truck, they found many wooden boxes containing a large amount of war weapons. The wooden boxes were hidden under the sacks of rice.

According to Gen. Prathin, the following were found in those wooden boxes: three M-60 machine guns that can be used as antiaircraft weapons, 103 M-120 mortar shells, 48 M-62 antitank rockets, ten RPG-2 rocket launchers, 492 M-47 rocket-propelled grenades, 990 M-46 hand grenades, 90 rolls of bomb fuse, and 40 cases of M-12.5 ammunition belts. Police seized all the weapons and the truck.

Said Gen. Prathin, "The weapons seized are Chinese-made. They are all brand new and still coated with anti-rust grease. Police arrested the driver of the truck, Banyong Chintana, 42, of house number 138, village group 1, Tambon Thung Khwai Kin, Klaeng District, Rayong Province; and his companion, Bawon Khayan-ki, 25, of house number 45/19, Tambon Thachang, Muang District, Chanthaburi Province."

According to Warrant Officer Phaibun, while officials were taking Banyong and Bawon and all the war weapons to the highway police station, they were approached by Anantasak Suwannawong, 32, and Amnat Sithising, 21, who arrived in a Nissan pickup truck, license plate Chanthaburi Po [Thai Alphabet]-7802; and also by Charoenchai Sichan, 20, Chatchai Kiriyakit, 26, and Lek 40, a Cambodian; who arrived in a Nissan pickup truck, license plate Chanthaburi Pho [Thai alphabet]-3798. The men tried to settle the matter with the authorities and to get the arrested persons released. Police therefore took all of them for questioning.

Warrant Officer Phaibun said he had noticed that the ten-wheel truck had been used for transporting soil, plying between Sa Kaeo and Chanthaburi. However, this time it was loaded with rice. So he stopped it to conduct a search, and found the weapons.

Pol. Gen. Prathin said all the suspects have confessed during the interrogation, and revealed to the police that there are caches of weapons in Chanthaburi Province. After the news conference, the police left by helicopters to check for caches of weapons in Chanthaburi. He was accompanied by Pol. Lt. Gen. Pracha and Pol. Lt. Gen. Thanu.

According to a report, the ten-wheel truck belongs to a Cambodian general, known by people in Chanthaburi as Mr. Nikon. The truck has been used to transport soil in the province and goods to Cambodia. Also during the questioning, a sergeant major, Mana Khongmi, attached to the special parachutist unit of Pawai in Lopburi Province, showed up and tried to settle the case with the authorities, but police rejected his request and took him in for questioning. However, he was not treated as a suspect.

At 1530, Pol. Gen. Prathin and Pol. Gen. Thanu, accompanied by Chatchai, one of the seven suspects, left by helicopter for Border Patrol Police Command 11 in Makhan District, Chanthaburi. On their arrival, they were met by Police Colonel Thamrong Salikalya, chief of the Border Patrol Police Command 11, Police Colonel Phayung Trongawat, Chanthaburi Provincial Police chief, and 220 border patrol policemen and provincial police officials.

From there, Pol. Gen. Prathin and Chatchai left by car for the weapons arsenal at Ban Thung Tanot, between Village Group 8, Tambon Wang Saem, and Tambon Thaluang, in Makham District. Upon their arrival, the police team found a vast area with 15 big warehouses and 12 shelters. The compound covers some dozens of rai [2.5 rai is equal to 1 acre] and is well fenced.

Pol Gen. Prathin then ordered policemen to search the area. They found 45 Cambodians—13 men, 13 women, and 19 children who are now under arrest. Police found six jeeps in one house, one large warehouse loaded with rice, and an assortment of Chinese-made firearms in three large warehouses and more scattered in other warehouses. All the weapons were confiscated.

Police ordered Mr. Thuan Chiang, 40, a Cambodian, who was in charge of the keys to the warehouses to open them. The warehouses are 10 meters wide and 25 meters long and are built with thick corrugated sheets. The doors are large enough to allow ten-wheel trucks to enter. When the doors were opened, authorities found all kinds of firearms, including heavy machine guns, antiaircraft artillery pieces, antitank guns, and other deadly weapons kept in wooden boxes that were arranged in rows.

A reporter said that when Mr. Thuan opened the door of the third warehouse, Gen. Prathin, Gen. Thanu, other



policemen, and reporters in the group were shocked to see 15 brand new 130-mm cannons as well as ammunition rounds. According to Pol Lt. Gen. Thanu, 300 trucks will not be enough to transport all those weapons.

According to reporters, a man arrived when the authorities were carrying out the search. He is about 30 years old, 173 cm tall, dark, wearing a green t-shirt, green jacket, and blue jeans. He asked to see Gen. Prathin and Gen. Thanu, and talked with them for about 10 minutes. The man then left the place. Authorities refused to reveal his identity.

According to reporters, the camp covers an area of about 1,000 rai. It is inside Thailand and about 100 km from the Cambodian border. A grove of trees along the roadside keep the camp hidden from the view of outsiders. But upon entering the compound, one can see that it is an open area with bushes and that it is well fenced with barbed wire. The camp is off limits to outsiders and guarded around the clock. There is also a hut inside the camp with radio posts, but no transmitter has been found in the hut.

When asked by reporters why he was not aware of the presence of the camp, Kitcha Kanchanathep, chief of Makham District, said he was transferred to the district only about two years ago.

After that, Pol. Gen. Prathin questioned the leader of the Cambodians at the camp. His name was Thongkon, last name unknown. According to him, the Cambodians there are supervised by a big boss they call "Nai Yai." He lives at Khao Rai Ya, Tambon Thachang. Nai Yai provides them with food supplies. As for the Cambodians at the camp, they are the Khmer Rouge who entered Thailand via Ban Phakkat, Pong Nam Ron District, about 10 years ago. Their duty is to guard the firearms at the camp.

According to reporters, at 1700 Gen. Prathin left for Bangkok after ordering border patrol police to deploy guards around the clock to keep a close watch on the men and weapons at the camp.

According to a Reuters report on 7 December, a certain Mr. Rit, or Comrade Rit, 40, disclosed that the weapons belong to Khmer Rouge Defense Minister Son Sen, the fourth most important man in the Khmer Rouge armed forces after Pol Pot, Ieng Sary, and General Ta Mok. He said he was sent by his commander to Pailin to collect the weapons sent from the hideouts. He said that although the leaders of the Khmer Rouge are holding peace talks with the Cambodian Government, fighting between the two sides would continue. The Khmer Rouge military are preparing themselves for offensives by the Cambodian Government forces.

According to the report, a Thai arms expert said that based on the serial numbers, the seized weapons were made in China. They have been hidden there by the Khmer Rouge a long time ago. China had been supplying the Khmer Rouge with weapons for use in the civil war

between the Khmer Rouge and the government in Phnom Penh. Most of the weapons were supplied and transported through Thailand.

A police official who seized the weapons told the Reuters correspondent he believed that in the past month, the weapons were smuggled in rice trucks for the Khmer Rouge via Prachin Buri to Pailin at least twice.

### **Chuan, Officials Comment**

*BK0812150593 Bangkok Army Television Channel 5 in Thai 1200 GMT 8 Dec 93*

[Text] The Army has reaffirmed that it does not provide weapons support to any minority or rebel groups in neighboring countries. Commenting on the seizure of a large amount of firearms in Makham District, Chanthaburi Province, Army Commander General Wimon Wongwanit said authorities would investigate the matter. Any personnel found to possess weapons meant for any minority groups will face severe punishment. The Army has followed government policies consistently. Soldiers will safeguard the country and people with their lives.

Foreign Minister Squadron Leader Prasong Sunsiri said it is the government's policy to crack down on firearms possession. The seizure will create more confidence on the part of the Cambodian Government. It also shows that Thailand does not support the Khmer Rouge.

Prime Minister Chuan Likphai said we have to make ourselves clear with the United Nations that we never had a policy supporting the Khmer Rouge. He also believed that no government agency had been involved in the arms cache.

[Begin recording] [Chuan] We have been more serious in cracking down on illegal weapons. You can see that larger amounts of war weapons have been seized recently.

[Unidentified correspondent] Do we have to make ourselves clear with the United Nations?

[Chuan] If there is any doubt, we will have to make ourselves clear that the government has a policy of cracking down on heavy firearms. The government does not support any movement of firearms inside or outside the country. [end recording]

Commenting on the issue, Acting Police Director General Police General Prathin Santipraphop said the seized weapons had been stolen from a military arsenal in Chanthaburi. The weapons were meant for the defense of Thailand's border with Cambodia.

### **Wimon Implicates 'Third Country'**

*BK0912032393 Bangkok BANGKOK POST in English 9 Dec 93 pp 1, 3*

[Text] Army Chief Wimon Wongwanit told reporters the war weapons and ammunition found in Chanthaburi on



Tuesday belonged to "a third country" and have been under the care of Thai security forces since the Paris peace agreement on Cambodia was signed in 1991. He said Thai forces had looked after the war cache since the signing of the peace accord, to show Thailand's neutrality in the conflict in neighbouring Cambodia.

Gen Wimon said the "third country" had sent the weapons to help one of the Cambodian guerrilla factions fighting government forces in Cambodia, prior to the signing of the Paris peace accord. However, since peace had come to Cambodia the weapons have been stored at border warehouses, he said.

The army chief did not name the "third country", but it was understood he was referring to China, the main supplier of war weapons to the Khmer Rouge faction in Cambodia, prior to UN-monitored elections in that country earlier this year.

Gen Wimon said a group of people who were under police interrogation attempted to smuggle the weapons from the warehouses and were intercepted by the police.

The Highway Police early on Tuesday arrested five Thai and a Khmer with five tons of war weapons in Chanthaburi Province as they headed towards the Cambodian border. The arrest of the suspects and the seizure of the war weapons led to the police raid on an arsenal in Makham District.

Police found a huge amount of war weapons and ammunition in 12 warehouses, including several artillery pieces, anti-tank rockets and land mines, rocket-propelled grenades, assault rifles, heavy and light machineguns and a huge amount of ammunition.

The army commander praised acting police chief Pol Gen Prathin Santipraphop for leading the police raid on the warehouses.

Gen Wimon, 59, yesterday reiterated the Army's stance on the conflict in Cambodia, saying that the Thai armed forces have not assisted any faction since the Paris peace agreement was signed. He said any attempt to transfer the seized weapons to any Cambodian faction would be against government policy and also against the Army's stance.

"We have made our position quite clear since the Paris peace agreement was signed on October 23, 1991, that we have to respect the peace agreement calling for non-interference from outsiders."

Asked whether he was concerned that the latest incident might confuse and mislead the world community into believing that the Thai Government was still supporting the Khmer Rouge, Gen Wimon said any misunderstanding should be clarified.

"There should be no problem with that," said Gen Wimon. The commander has stressed several times during his clarification to reporters about Thailand's neutral stance in the Cambodian conflict that if the

Army was still giving support to the Khmer Rouge then it was unlikely that the police would be able to seize such a large amount of war weapons. He said the weapons recovered from the arsenal were enough to equip a combat battalion.

Gen Wimon gave his personal assurance that the weapons would not be sent to any particular faction in Cambodia and that the Army plans to move them to a new site soon.

Asked what would be the Army's stance if Khmer Rouge leader Khieu Samphan asked for the return of the weapons sent to them by China, Gen Wimon said the request would be turned down.

"In the event of such a request, the weapons would not be sent to Cambodia," he stressed.

Meanwhile, Foreign Minister Prasong Sunsiri yesterday declined to comment on the seized weapons and urged reporters to raise the question with the military. However, he said the latest raid was clearly in response to the Government's policy of non-interference in Cambodia.

The minister, who will visit Cambodia on Saturday, said such a thing would not happen if the Government was still supporting the Khmer Rouge. Sqn Ldr Prasong reaffirmed Thailand's neutrality in regard to the situation in Cambodia, since the peace agreement was signed in Paris.

Gen Prathin, who took reporters to see the arsenal in Chanthaburi after the police raid on Tuesday, said the weapons belong to the Thai military and not the Khmer Rouge as widely reported. He said the arsenal belonged to the Thai military for use in solving the problem at the Thai-Cambodian border.

The police raided the arsenal out of a "misunderstanding" because they had earlier in the day arrested a group of men with a large amount of war weapons believed to have been stolen from the warehouses. The police have already coordinated with the military and all the seized weapons would be returned to military authorities, Pol Gen Prathin said.

Sources said the police tried unsuccessfully to verify with the Royal Thai Navy which branch of the armed forces had jurisdiction over that particular border front before raiding the warehouses.

Prime Minister Chuan Likphai said he believed that the raid was carried out in compliance with the Government's policy against illegal war weapons. He said the Government was ready to clarify the presence of the arsenal on the Thai border if asked to do so by the United Nations. The Government has a standing policy against illegal war weapons regardless of whether they were from within or outside the country.



**Weapons Believed for Burmese Rebels Seized***BK0912033593 Bangkok BANGKOK POST in English  
9 Dec 93 p 3*

[Text] A large quantity of weapons, believed to be destined for Karen National Union (KNU) soldiers in Burma, were seized on Tuesday in Tak Province's Tha Song Yang District, near the border.

Speaking at a press conference in Mae Sot District yesterday, Deputy Police Chief Phot Bunyachinda said the weapons seized included 119 M16 assault rifles, two 82mm mortars, two M60 machineguns, one anti-aircraft gun, 700 rounds of M16 ammunition, 4,500 rounds of M60 machinegun ammunition and 50 82mm mortar shells.

The weapons were hidden in a forest near Ban Mae Ok Hu. Preliminary reports said they were destined for the KNU.

When a police force raided the site on Tuesday, three men were sighted in the area but they managed to escape arrest.

**Commentary Examines SLORC Peace Overtures***BK0812011993 Bangkok THE NATION in English  
8 Dec 93 p A6*

[Commentary by Yindi Loetcharoenchok: "Slorc's intentions for peace questionable"]

[Text] Will the Burmese people finally live in peace or are they going see history repeat itself? Does the Slorc, the acronym for the Burmese junta State Law and Order Restoration Council, have a genuine desire for lasting peace or is it just another Slorc political manoeuvre to prolong its status quo?

These must be the foremost questions on the minds of the Burmese when they heard Slorc leader Lt Gen Khin Nyunt's much publicised speeches, which called on armed ethnic groups "to return to legal fold to hold talks."

Khin Nyunt, a top intelligence officer and the most powerful man in the Burma Army hierarchy, has repeated his peace proposals on three separate occasions during his trips last month to Loikaw in Karenni State, Ye in the Mon State and Pa-an in the Karen State.

His speeches were directed at the armed Karen, Karenni and Mon forces, the only three major ethnic groups which are active along the Thai-Burmese border. His statements have caused a big uproar with many speculating wildly and trying to interpret as to what the Slorc has in mind.

After long debates and discussions, the armed ethnic forces and Burmese opposition groups under the umbrella banner of the Democratic Alliance of Burma (DAB) finally agreed to probe the overtures and offers to send an advance five-member delegation to Rangoon to

prepare for official peace negotiations—if the Slorc agrees to meet with the DAB and not individual members of the Alliance.

The Slorc has repeatedly refused to talk with the DAB and prefers to deal with its individual members at a time.

The "divide and rule" tactics have been criticised by ethnic and Burmese groups as an approach to wedge disunity in the opposition movement. Ironically, successive Burmese military rulers have blamed the policy, which was implemented by the British colonial rulers, for the ongoing wars and disunity inside the country.

"The Slorc has been criticising the British 'divide and rule' strategy, but still they are practicing it with a clear objective to create more disunity and split among us (DAB)," commented a DAB leader in a recent interview.

The DAB's welcoming response to Khin Nyunt's peace overtures and its decision to send a team to Rangoon is a positive gesture and indicates that the armed ethnic groups are ready to bury the hatchet, leave behind their bitter history and mistrust that led to them taking up arms against Rangoon. Also, this gesture gives the Burmese military rulers a second chance to make efforts for national reconciliation.

"The Democratic Alliance of Burma welcomes the official position of the State Law and Order Restoration Council voiced through Lt Gen Khin Nyunt," said Karen leader Gen Fo Mya, also DAB chairman in his letter dated December 1 to Slorc Chairman Gen Than Shwe.

He said the DAB "is willing to officially hold negotiations for internal peace and the development of the country, in accordance with the invitation as announced by the State Law and Order Restoration Council. Therefore, the State Law and Order Restoration is urged to make a response for a clearer understanding of its position," said Bo Mya.

The DAB has also agreed to put aside, for the time being, its previous preconditions or demands that the peace negotiations be held in a third country with the presence of the UN observers and that Slorc release all political prisoners including popular opposition leader and Nobel Peace Prize winner Aung San Suu Kyi.

Dr Em Martha, a Karen spokesman and a DAB leader, said the DAB "cannot talk of them (the demands) at this moment."

Although the Slorc has recently come up with some gestures aiming at creating a conducive atmosphere for talks, its stance is still far from clear and its attempts far from appreciable. Many opposition leaders believe that the peace offers are initiated to cool down strong international criticism and condemnation especially in international forums such as the UN General Assembly, which has for the past few years passed strong resolutions against the Slorc.



Rangoon is also trying to convince the West that it has the ruling legitimacy and is in control of the country, which is in great need of international assistance they said.

A Karenni spokesman Abel Tweed said recently that he believes Khin Nyunt's speeches was just "a propaganda, aiming at relieving international pressure which has been mounting against the Slorc."

The Slorc's abrupt "change of heart" can be seen in Khin Nyunt's speeches. He deliberately dropped the rhetoric terms of "terrorists" and "insurgents" which have been used to address armed ethnic minorities and has spoken in a more reconciliatory than his usual aggressive tone.

Some Burmese, however, see them as a wedge to segregate the armed ethnic forces from the Burmese dissidents and students who basically need help and support from the ethnic groups for their survival.

The Slorc latest "divide and rule" approach has already borne fruits. In September the Kachin Independence Organisation (KIO) reached a ceasefire deal with the Slorc and both sides are to sign an official agreement in the near future.

According to some reliable sources the Mon, at the pressure of some Thai authorities, have already agreed to hold talks with the Slorc and that representatives of both sides have already met in the past month. Likewise, the Slorc has been telling visiting foreign dignitaries and diplomats that it will soon deal with the Mon, and then the Karenni, leaving out the Karen as the last.

The Karen, Karenni and Mon have accepted that the Slorc has sent a few mediators to approach them, to sound out Rangoon's position and hear their opinions. "They never sent us (the Karen) anything in form of letters, just despatched some people to probe our position," said Dr Em Martha.

The Karenni spokesman Abel Tweed said the Slorc has dispatched three groups of "civilians and clergymen to contact and urge us to go to negotiation table but all the time we have refused."

The Slorc latest peace proposals do not touch the core of political turmoil in Burma. Clearly, the people want the restoration of peace, democracy and human rights and an elected civilian administration in a united country with the military being the defender and not the ruler.

There are still many questions that have to be answered especially the fate of all political prisoners including pro-democracy leader Aung San Suu Kyi and the future of thousands of Burmese dissidents and students who oppose the military rule.

Unless there is a comprehensive peace package with a fair deal to all parties involved both inside and outside the country the Slorc's unilateral attempts will not guarantee a lasting peace and stability in Burma.

### **Laos Restricts Use of 'Border Passes'**

BK0812011193 Bangkok THE NATION in English  
8 Dec 93 p A2

[By Chirasak Wongkhamthai and Sakon Cheracha in Nong Khai]

[Text] Laotian authorities have barred Thai citizens who are not residents of this northeastern province from using border passes to enter the land-locked country. The ban, which Thai officials said was a move to tighten immigration controls, took effect at 9 am on Monday and caught a number of Thais preparing to go to Vientiane in tourist groups by surprise.

Nong Khai provincial governor Anan Chaeng-klip said the tourists, who all carried border passes, had already crossed into Laos and were waiting at an immigration office when they were turned back.

The Laotian Interior Ministry, in a brief notice sent to the immigration control office in Nong Khai just before the border point was due to open on Monday, said the decision was made by the Interior and Foreign ministries and the committee responsible for law and order in Vientiane. It gave no reasons for the decision. Local authorities from both countries held a meeting soon after. Thai officials revealed later that the ban was in fact an enforcement of a previous agreement on border controls reached between the Thai government and French Indochinese officials in 1943. An informed source said he believed, however, that Laotian authorities have enforced the ban to stem an increasing number of illegal immigrants into Laos. There was also a growing number of non-Nong Khai residents entering Laos on the border passes.

Other sources said Laotian authorities had often expressed concern about the growing border traffic during local border cooperation committee meetings. They said some northeastern provinces without border links with Laos had issued border passes for their residents to enter Laos through Nong Khai.

The Laotian Interior Ministry has ordered Thai residents from provinces other than Nong Khai to have passports and visas before entering Laos through Tha Nalaeng, Tha Deu and Wat Tai, the three major ports in Vientiane.

People with border passes must show their identification cards on entering Laos, regardless of whether they are government officials or ordinary citizens. However they can now stay longer than three days, but not more than seven days, before having to get permission from Vientiane's law and order committee to extend their stay.

Anan said negotiations with local Lao officials to revoke the ban were underway. If the situation can't be resolved, he said he would ask the Foreign Ministry to negotiate directly with Vientiane.



"Although it is Laos' right to enforce immigration controls in line with the previous agreement, it will have a tremendous effect on the trade and tourism boom in Nong Khai," he said.

Thai officials said it was not clear yet whether the ban will be enforced in other Laotian provinces bordering Thailand.

The ban comes just five months before the scheduled opening of the Thai-Lao Mittraphab Bridge, the first to span the Mekong river. To open in April, the bridge linking Nong Khai with Tha Nalaeng is designed to boost transport links between the two countries.

Initial meetings on the immigration ban between Nong Khai's provincial office chief Chaleo Phongphasuk and the Immigration Department of Laos met with a flat refusal to lift the order.

Nong Khai Immigration Chief Sanit Komonwanit said the Laotian officials claimed they were obligated to observe the order.

Sanit said the Laotian immigration officials decided to reconsider the request over the next three days, but did not promise anything.

Under the 1943 agreement, residents living along both sides of the Mekong river were allowed to cross to the other side with border passes instead of passports, and could travel within a 25 kilometre radius. The border passes were issued by the respective provincial authorities.

Sanit said the tightening of immigration controls would affect the number of Thai and other tourists travelling to Laos from Nong Khai.

Tourism in Laos is expected to boom when the Thai-Lao bridge is open, but many people will be discouraged by having to go to Bangkok, where Laos has its only diplomatic mission, to acquire a visa.

#### **Deputy Commerce Minister on Agricultural Prices**

*BK0812012393 Bangkok BANGKOK POST in English  
8 Dec 93 p 23*

[“Interview” with Deputy Commerce Minister Chaiyot Sasomsap by Somphon Thanphanachi and Sman Suttho—place, date not given]

[Text] A deputy minister's task is thankless. He is overshadowed by the minister and often given trivial duties.

Deputy Commerce Minister Chaiyot Sasomsap might feel even less enthusiastic about the job as he has responsibility for only one department.

The Internal Trade Department is however, ranked in importance as A-grade within the ministry—along with the Foreign Trade Department—because of the extent of its powers.

The department monitors and controls prices and tackles monopolies. Its work affects the livelihoods of farmers, planters, manufacturers, wholesalers, retailers and consumers. Good results here, particularly in dealing with farmers, will mean a lot to the minister at the next general election.

Mr Chaiyot is secretary general of the Solidarity Party. His minister is therefore his party leader, Commerce Minister Uthai Phimchachon, and he has been assigned to take a close look at rice.

Rice is a political product that may spell ruin to a government if farmers do not get a good price. It is always taken by Opposition Parties as a measure of the government's failure to administer the country properly.

Mr Chaiyot says that selecting the right strategies to solve different problems is essential to satisfy the people he is dealing with. Sometimes a long period of time is needed to solve a problem, but in some cases a short period is enough. He is satisfied with what he has done in one year at the Commerce Ministry, particularly in dealing with agricultural products. The prices of these always fluctuate, from very low to very high in a short period depending on each year's harvest. He believes the Government has outlined the basis for reducing price fluctuations for these products through the Farmers Assistance Policy and Measurement Committee chaired by Deputy Prime Minister Suphachai Phanitchaphak.

Farmers have been given the opportunity to sell their products under the promotion of “central markets”, which cut out the middleman.

The Commerce Ministry has a committee to look after the marketing of farm products with a budget allocation of 3,000 million baht. The existing plan to use central markets as tools for farmers has been picked up and applied extensively.

A budget of 400 million baht will be used to support the establishment of central markets by the private sector. The government expects that the country will have 40 central markets within two years to add to the existing 14.

“Opportunity is the most important thing that a good government grants its people. The rich already have opportunity. The government must take care of those who do not yet have it,” Mr Chaiyot says. He expects to develop a futures market for the forward sale of agricultural products in Thailand, which would ensure that farmers have markets for their products. The products that should be brought to such a market include rice, tapioca, pineapple, sugar and rubber.

Some have expressed concern that a futures market would result in speculation and destroy itself eventually but Mr Chaiyot believes that speculation will not seriously affect economic growth. He says it is essential for farmers to know the price they will get from selling their products, and therefore the ministry plans to set up an



Agricultural Information Centre in every tambon (sub-district) in every province. The Government has supported the project and has set aside 50 million baht for it.

Quality is the other important issue. Thai farmers now use new technology to produce rice-sowing paddy seeds and machines to harvest paddy so that the paddy contains high moisture. He says the committee has set aside a budget of 240 million baht to be granted as interest-free loans for rice millers to install "dryer machines" to improve the quality of paddy from high moisture content of 20 percent or higher to the standard level of 14-15 percent.

The level of moisture contained in paddy is one significant indicator of paddy price. One per cent higher than the standard means that farmers will lose 50-60 baht a ton, but when the moisture contained in paddy is as high as 18 percent or more, the millers will avoid buying that type of paddy because they might lose from the milled rice that yields broken rice.

"Moisture content is a political problem for government because it pushes the price of paddy down. The farmers do not understand why they get such a low price and the government has to fight for quality maintenance," Mr Chaiyot says.

Mr Chaiyot says the government has also tried to encourage farmers to plant good quality rice, fragrant rice or 100 percent white rice. There are always markets for them, both locally and overseas, and the price of these types of rice is high, he says.

For other types of farm products such as cassava root, the government has tried to outline a systematic production plan and to increase value by promoting its use in various industries other than traditional ones, such as in tapioca pellets, and shipping it to European Union markets.

Zoning is one of the methods which the government has begun using in order to get farmers to select the right plants to match the planting areas.

"Nature is the gift that God gave to the people of Thailand, and the country is lucky to be in an area that is safe from natural disasters such as earthquakes and volcanoes. We have to make the best use of that good fortune," Mr Chaiyot says.

Livestock is another farm product which is growing fast. Production for household and local consumption in the past decade has become a major exporting industry in the present day. The government must pay close attention to this industry because it is related to other farm production including soybeans, maize and fishery. Mr Chaiyot says that as the industry has grown too fast, the shortage of raw materials to produce animal feed has become a problem. The government must control imports at a level which will not damage local farm producers. After the quota system proved unsuccessful it

was changed to the collection of surcharge on top of tariff in imports of animal feed raw material—soybean meal and fishmeal.

However, the export of Thai livestock now faces the problem of tough competition from cheap livestock exporters such as China and Brazil.

Thai livestock is becoming less competitive and exporters now make losses. They have asked the Government to alleviate their burden by refunding their surcharges when they pay for imports of raw material for animal feed.

In order to meet the request of the livestock industry, the Government, through the Food Policy Committee (usually chaired by Mr Chaiyot), agreed to help them get the refund so that they can survive.

Regarding the uncertain price of agricultural products with the multilateral negotiations of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) in the middle of this month, he says that the structures of Thai farm industries may need some modification. However, he believes Thailand has the potential to be one of the world's leading agricultural producers.

The National Economic and Social Development Board should outline a master plan to make Thailand the "kitchen of the world", he says.

## Vietnam

### Vo Van Kiet Gives Speech at Assembly Opening

#### Part I

*BK0712151193 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 6 Dec 93*

[Part one of "text" of speech by Prime Minister Vo Van Kiet at the opening of the fourth session of the Ninth National Assembly in Hanoi on 6 December: "Accelerate Economic Development Pace, Politico-Social Stability, and Bring the Country Into a New Development Stage"—read by announcer]

[Text] I. Urgent Requirement and Ability to Enter a New Stage of Socioeconomic Development:

1. In 1993, we have continued to further develop the achievements of 1992, and fulfilled and exceeded all major targets set by the National Assembly second session in its resolution on tasks of 1993. In the three years of 1991-93, the total gross domestic product (GDP) reached an annual average increase of 7.2 percent, which was higher than planned in the 1991-95 Five Year Plan. Agricultural production, though, suffered natural disasters in all the years in many areas but still fulfilled the development plans. In 1993 alone, extended drought and floods occurred in many central region provinces, but the national agricultural production was still on the rise, and we have harvested 24.5 million tonnes of food



staples thus fulfilling the targets for 1995. [year as heard] In the areas suffering natural disasters, prices were stable, and production and daily life activities were brought back to normalcy.

The production and service establishments in central region provinces have adjusted fairly well to the market economy system. The annual increase of industrial production output was higher than planned. Export values and budget contributions increased at a rate higher than that of production development. Economic relations with foreign countries were speeded up. The trade balance was improved, foreign currency inflow adequately met import demand of materials and essential goods. Internal reserves have started to grow. Living standards of a great part of the people have been improved.

After affirming that the continual development in all economic sectors and aspects in the last three years proved that the economy was now out of the recession, Prime Minister Vo Van Kiet pointed out that generally speaking, we have achieved important progress in avoiding social crisis, especially in overcoming the economic recession, restraining the inflation rate, and safeguarding political stability in a very turbulent situation coupled with the absence of foreign support and with the embargo of the United States. These achievements demonstrated the energy and acumen of the people of Vietnam, proved that the party and state renovation policy is appropriate for Vietnamese realities, and showed the strength and ability of our people to be self-reliant and self-supplied.

The success of the renovation process is closely connected to our multifaceted and diversified external relations policy. The support of other countries and international organizations has opened the way for us to integrate into the world community. The new image of a renovating Vietnam wishing to befriend all countries was warmly received and highly regarded all over the world, thus creating favorable trend for us in international relations. These factors enhanced our stature and trend and created necessary grounds for a new development stage.

A. Our people trust and enthusiastically support the renovation undertaking; they consider it an undertaking of their own that serves their own interests. The economy has created a stimulative objective that encouraged production and business activities in the whole society. The social and economic activities have not been completely in good order or well organized, but the incitement of motivation and initiation among the people to replace the negativity and attitude of dependence under the former subsidized system was an essential factor for the development.

B. The development environment attained more favorable basic factors.

C. The physical conditions for the development, though still limited by the shortage of capital, technology, marketing, and infrastructure, still represent great potential awaiting future exploitation.

The above-mentioned factors present tremendous opportunity for development. Opportunity does not come spontaneously but by subjective efforts of the whole party and people in combination with the trend of peace, stability, cooperation, and mutual development in the region and the world. Opportunity would not have brought us success if we had not seized it and developed it in time.

2. The new development stage requires both grasping opportunity and recognition of shortcomings and difficulties we need to overcome:

A. Our economy still contains unstable factors that could cause disorder. The improvement of the socioeconomic infrastructure was lagging, or even backward in some aspects. The rates of saving and investment were still low. People's potentials have not been tapped and developed into productive activities. Public assets and state investment funds are being embezzled or seriously wasted. The social production ability has not been completely liberated. Economic efficiency is still low, thus limiting the source and reserve of investment and the ability to improve living standards.

Our market economy is still at the infant stage where full development and effective management are lacking. That is because the legal system is not yet unified, and the ability and efficiency in macromanagement do not meet requirements. The administration system, the financial and banking system, and state-managed business sector still contain many weakpoints and negativity. Corruption and smuggling activities are still growing at a serious pace. The possibility of inflation's coming back cannot be ignored.

B. Many social changes have been slow and there are still many tough issues that continue to be a source of public concern, especially unemployment. Social vices and the crime rate have been on the increase. Not an inconsiderable number of people are accumulating wealth illegally, while many honest people and those with meritorious national deeds face difficulties in their livelihood.

C. Now entering an in-depth phase, the renovation is comprehensive and has experienced more difficulties. Those with vested interests have been affected. At the same time, the renovation requires higher revolutionary awareness and better leadership and management knowledge. Corruption, ineptitude, a poor sense of organization and discipline, and bureaucratism among not an inconsiderable number of cadres in many state agencies and organizations at various sectors and echelons, both in the administrative and trading sectors, are negating many policies. They are hampering and undermining the renovation, and reducing the people's confidence. They are a challenge to the party leadership and the state management. Meanwhile, external and internal



hostile forces are seeking ways to sabotage us and they have not missed any opportunity to further weaken our internal ranks.

To prevent internal disorder and external manipulation, it is inevitable that we must overcome our subjective shortcomings in leadership and management, and the corruption and ineptitude of our contingent of cadres.

3. The greatest challenge to our nation and regime is slow economic development. Poor economic performance will leave our country further behind. We will remain weak, uncompetitive and lose out in international cooperation. In the current world where the brutal economic race is emerging as the most important issue, a further economic decline may lead to political and social instability and may constrain our efforts to consolidate our national defense and security and protect our independence and sovereignty.

To meet this challenge, we must promptly seize and make full use of any opportunity and dispel dangers. We must carry out our socioeconomic development at a quick and steady pace to build a prosperous people, powerful country, and an equal and civilized society. We must strive to narrow the development gap with our neighboring countries. These are the people's aspirations and pressing demands. These will also determine the durability of our regime, guarantee our national development in accordance with socialist objectives and orientations, and foil all the enemy's schemes and actions to undermine and violate our national sovereignty. The only way to achieve this is to continue to step up the renovation both expansively and intensively. We must also further develop a sense of independence, mastery and self-reliance, and practice thrift for national construction and defense, and broaden international cooperation. Only by developing our internal strengths to the fullest can we attract and satisfactorily use our external resources for quick development.

Waiting for and relying on external assistance will lead us into a state of dependence and will restrain national growth. This is not common sense but has been proven.

What can we draw on from the above analysis? The conclusion is that in 1994, we can and must open a new era of socioeconomic development for our country. The GNP growth rate for the years to come must not be less than eight percent a year. We must try to double our 1990 GNP by the year 2000 so that conditions are set and the momentum generated for faster national development as the country enters the 21st century.

In previous years, we had to concentrate our efforts on overcoming economic recession and inflation and achieving social and political stability. From the beginning of 1994, while we will continue to be concerned about stability, we will also enjoy conditions that will allow us to focus our efforts on accelerating economic development along with effecting more drastic social changes to improve the people's material and spiritual

lives. There will be more opportunities for us to consolidate political stability and strengthen national defense and security. This is the way to tide our country over a socioeconomic crisis so that it can enter into stable and steady development. In leadership and management, we must not concentrate on resolving urgent and unexpected issues. Instead, we must resolve fundamental and strategic issues to spur the restructure of the economy along the direction of industrialization and modernization. This is to attain fast economic growth with higher results and achieve better social order, justice, and progress. Our socioeconomic development course for the next two years and our 1994 plan have been based on that spirit. Here, I would like to further clarify a number of major issues. I will also emphasize each issue that requires deep understanding or new approaches.

### Part II of Speech

*BK0812151193 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 6 Dec 93*

[Part two of "excerpted speech" by Vo Van Kiet at opening session of Ninth National Assembly's fourth session in Hanoi on 6 December—read by announcer]

[Text] II. What should be done to ensure a quick and stable economic development pace?

In the past three years, total investment in the entire society has reached 68.8 trillion dong. Investment is expected to be about 41 trillion dong in 1994, an increase of 32 percent compared to 1993. In 1995, it will reach about 52 trillion dong. Total investment in five years may be equal to or exceed the planned target outlined in the 1991-95 plan of socioeconomic strategy until the year 2000. It will create a prerequisite for economic development and employment improvement in our society.

What are the capital resources for developing investment?

The most fundamental and important capital resource is the domestic savings and reserves. However, in order to usher in a new development stage for the country, we have to combine many measures and mobilize many forces to make every citizen realize our national destiny at this very important point. We must create a public campaign to encourage frugality and denounce corruption, waste, and prodigality.

The report also emphasized the government's line and policies in exploiting and using capital investment resources in the years ahead. Great potential in capital resources is latent among people and economic units. This is an effective investment source that needs to be exploited with suitable policies to encourage savings for production investment. We must quickly develop the capital market, reform, and improve activities of the banking and financial system in order to mobilize idle money in all savings accounts and insurance funds for purchasing bonds and shares.



The government investment sources include domestic reserves and bilateral and multilateral foreign aid for development, which mostly consists of concessional loans and some gratuitous aid. The foreign aid committed by the recent Paris conference is an advantage. However, we still have to actively settle old debts to clear the way for foreign credit. And we should realize all difficulties and complications in utilizing loans from this source so that we can calculate the loan effectiveness as well as our repayment capacity to avoid losses and inactivity.

The government capital source through national budget allocation is only reserved for infrastructure projects which have no capacity to redeem their investment. The other increasing capital source is investment through mutual credit organizations, partnerships, and shares of enterprises in different economic sectors. This investment system will be applied to 1994 state planning. In order to efficiently use government capital resources and avoid losses and waste, it is necessary to solve these issues:

- Investment projects must be well-planned and closely connected with long-term regional economic development planning.
- Investment capital management must be strengthened.
- Construction prices must be adjusted to suit real conditions.
- Methods of bidding, planning, construction, and approval must be perfected. We should use consultant services of domestic and foreign companies in these areas.
- The state capital investment management structure should be reformed in conformity with experiences learned from the management of foreign concessional loans to our country.
- Approved projects must be funded in time according to construction progress.

Direct foreign investment is for the most important foreign capital resources. The first condition to attract this capital source is a favorable investment environment which contains little risk, disturbances, and trouble. It is important to improve investment conditions. At the same time, we should have policies to attract foreign countries to invest in our preferential sectors and regions. The investment commitment should be closely supervised, especially the transfer of technology and environmental protection. From now on, the main index for foreign investment will be its invested capital and effects on the economy.

Regarding investment directions to improve the economic structure as an initial step of national industrialization and modernization under the development strategy until the year 2000, the report says:

In the next two years, we must concentrate on the following:

- With the people's capital and energy together with the state's guidance and support, we have to create a prominent change in agricultural production and gradually industrialize agriculture and the rural economy according to the party Central Committee Fifth Plenum resolution.
- We must attract foreign investment and encourage domestic investment for exploiting and processing natural resources, covering bare hills and mountains, and developing export production and services to create more jobs. These are the main capital resources to form a new industrialized and modernized structure.
- Government investment must be concentrated on building infrastructure projects, first of all the electricity transmission system; land and railway transport; ports and airports; the water reservation system; telecommunications; and scientific, industrial, cultural, and social research institutions, especially the education and medical services.
- We must organize, research, anticipate, and select the correct key development areas in the future in order to carry out in time preparations for necessary conditions. We should also manage, supervise, and assess strictly the import of technical and technological equipment. The cases of importing outdated, expensive technical equipment, equipment that causes environmental pollution, and especially cases where imported items were paid for by state funds must be investigated to determine responsibility and be dealt with severely.
- Accelerate the planning process for the major economic areas in the three regions and develop the locomotive effect that stimulates development in other areas. The planning process of each area should accommodate the full potential and advantages of that area in close combination with the activities of the major economic areas. The state will support and give priority in providing foreign gratuitous aid to areas with difficulties, first the border areas and islands, areas with minority ethnic people, and areas of former revolution bases.

The government recently worked with the localities which still have significant difficulties and determined orientations for development, concentrating on a number of programs and objectives from now until the year 2000 aiming at emerging from poverty and underdevelopment as well as creating the premise for fast development on the threshold of the 21st century.

The provinces along the central region coast, in addition to the national level power, transportation, and communications projects, should focus their energy on major programs, such as:



1. Protecting and developing forests in combination with developing fixed farming, fixed residence, and environmental protection.

2. Reform planting structures and seasons in order to avoid natural disasters, covering bare hills with suitable industrial plants in combination with processing industry and prairie development for livestock breeding on a larger scale.

3. Exploiting, rearing, and processing aquatic products in combination with protecting the coast and islands.

4. Ensuring an adequate provision of water for agriculture, forestry, industry, and domestic use in the rural areas.

The provinces in the central highlands will have the same programs, excluding the aquatic products program, focusing more on forestry, industrial plants, livestock rearing, and processing industry.

The northern highland provinces need to concentrate on building a socioeconomic infrastructure with the support of the central government, such as a transportation network; power; water supply; communications; education and training facilities, especially boarding schools for children of minority ethnic people; tertiary education and research establishments; a public health care network starting with tribes, hamlets, and villages up to district and provincial services; transmission of radio and television programs; and development of cultural and information services in the direction of restoring and developing peculiar cultural characteristics of ethnic peoples.

The highland provinces and districts must be close to the grass-roots level and review experiences in order to build their own economic development models that suit the physical conditions of the localities and characteristics of the ethnicities.

### Part III of Speech

BK0912113393 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 7 Dec 93

[Part three of speech by Prime Minister Vo Van Kiet at opening session of Ninth National Assembly's fourth session in Hanoi on 6 December—read by announcer]

[Text] Exploiting the potential and enhancing work efficacy of economic sectors. Efforts to definitely implement the multisectoral economic policy is a significant factor greatly contributing to success in the renovation. However, we must strive to continue to renovate and satisfactorily design effective mechanisms and policies to improve work at economic sectors in order to completely release the production force.

A. As a poor and underdeveloped nation and with an aim to building the national economy and ensuring the state role in a macromanagement system, Vietnam must strive to guide and help economic sectors to develop

further along socialist orientations. Efforts must absolutely be made to develop the state-run economic and business enterprises. It is necessary to say that state-run economic enterprises do not include only business establishments, but also the financial and banking institutions as well as the national reserves, land assets, and other state properties. We must have a panorama view of the state-run economy to effectively manage, preserve, and develop national assets. Ownership of all national assets must be defined. We must urgently carry out the allocation of land and forests to peasant households, concretely resolve land problems in urban areas and zones used by enterprises, build houses for sale or rent, and sell or rent out enterprises or other establishments that the state does not want to operate any longer. Money derived from this selling or lending must be transferred to the state budget.

Although state-run enterprises have been reorganized a further step, their structures are not rational while key sectors have not been properly integrated. For those enterprises no longer under state management, we should definitely settle them by transferring their ownership, lending out, merging with other establishments, or abolishing them. Realities at many agricultural units, forestry sites, trade and business establishments, and transport corporations show that the application of the contractual system and the transfer of some machinery and equipment to the workers at state-run enterprises have brought about remarkable economic results. One of the most effective measures to create enthusiasm among workers, to overcome the condition that one is responsible for state properties, and to oppose negativism is to apply a shareholding system at state enterprises. This will allow civil servants and workers to share ownership at these establishments. To carry out this task, efforts must be made to clearly define the proportions of shares to be held by the state, those for the workers, and those for sale to private organizations and individuals as well as to foreign businessmen, and so forth. Through realities, we will realize the state management function over enterprises and through which we should clearly define the ownership function over these establishments.

B. Efforts must be made to renovate cooperatives, develop the economic autonomy of cooperative members, and strengthen new economic cooperation forms in the rural areas in accordance with the party Central Committee's Fifth Plenum resolution. We must review experiences to provide guidance and assistance to build and develop various appropriate economic cooperation forms at various sectors and occupations.

C. It is essential to abolish regulations banning or creating difficulties for individual and private trade. We must strengthen law enforcement to oppose unregistered business, counterfeit, tax evasion, or other illegal activities.

3. [number as heard] Urgently expanding economic relations with foreign countries.



We are enjoying new favorable conditions in international relations at present. However, in expanding and enhancing the efficiency of foreign trade we must rely on production development in accordance with the open door economic structure while strengthening exports and diversifying trade relations with the outside world.

#### 4. Renovating and improving the financial, monetary, and credit situation.

A. The 1994 budget faces great financial demand for investment, development, and resolving social issues. While the volume of foreign capital increases rapidly we must ensure sufficient domestic capital to catch up with economic development. As a result, we must adopt an appropriate measure to balance the budget. It is necessary to say that state revenues come from domestic collections and nonrefundable aid from foreign countries. Efforts must be made to meet financial requirements in regular spending, paying debts, and in investment and development. In 1994, we must allot about 15 percent of the state budget for this purpose while in the ensuing years we might need more. We must borrow money from the people to balance the volume of capital we need for investment and development projects. We should increase the volume of mid- and long-term loans from foreign countries. From now on, we should strive to obtain more long-term loans with low interest for investment and development. Loans may be recalled on a step-by-step basis, especially those obtained from foreign countries for various programs including infrastructure projects. This is aimed at turning them into a form of state credit, through which the transactions in getting loans and payments—both principle and interest—are conducted in intervals. Only through this system will we be able to pay foreign debts.

#### Last Part of Speech

*BK0912132193 Hanoi Voice of Vietnam Network in Vietnamese 0800 GMT 7 Dec 93*

[Part four, or last part, of speech by Vo Van Kiet at the opening session of the Ninth National Assembly's fourth session in Hanoi on 6 December—read by announcer]

[Text] III. Resolve various socioeconomic issues more satisfactorily:

As the concept of linking economic and cultural development with social development is the tradition of our people, the character of our regime, and the trend of our era, the government has attached importance to preparing budget plans and to guidance for various socioeconomic activities. In 1993, although many sectors concerned have not attained their desired results yet, they made some improvements thanks to budget assistance and contributions from the entire people.

The country is embarking on a new era of development. This means that from now on, the relationship between

economic growth and cultural and social development will have more conditions and we must resolve this issue more harmoniously.

Economic development as explained above implies the resolution of many very important and fundamental social matters such as creating jobs and increasing income for the people. Yet, cultural and social development requires many things other than that. They are those matters that the entire society, each family, and each person must care for with their efforts, wisdom, money, and even with social life-style, psychology, and public opinion.

The draft of the 1994 plan points out realistic measures and plans to be taken to increase spending for educational and cultural activities; scientific research; and public health, physical education, sports, and family planning activities to a level higher than that earmarked from the budget. Let me further emphasize the following issues:

First, we must improve the people's intellectual standard, provide additional training to the contingent of laborers and cadres, and train the succeeding generation. Given our current requirements, this is a very important task aimed at preparing for our country's long-term development, especially for embarking on the 21st century with more drastic steps.

The arrangement of employment for newly-graduated students must be given attention through assistance measures taken by the state and by various mass organizations and families. This will contribute greatly to encouraging students to study harder. We must create conditions for the contingent of intellectuals to dedicate their intelligence and talents to the country and to earn a good living with their own careers. The government will welcome and create conditions for those Vietnamese intellectuals living abroad to participate in socioeconomic development in their country in various areas of work and under various suitable forms.

Greater attention must be paid to improving the health of the people of various strata. Specifically, we must concern ourselves with improving the health of the entire people, ranging from children to mothers, and the aged for the sake of our national construction at present and of our future generation.

Along with government guidance and with further budget assistance, we must step up physical education and sports activities, preliminary health care, disease prevention and treatment, family planning, and so forth. In 1994, the government will allocate more of the budget and provide better guidance for implementing various measures to provide health care for people in the mountain regions and for ethnic minority compatriots. We must dispel and then proceed toward eradicating all social diseases and resolve the source of water supply for our compatriots.



Improving the people's intellectual standard and protecting the people's health are essential conditions for averting and dispelling social vices, especially prostitution, drug addiction, and the danger of being infected with the HIV virus as this disease is spreading and causing indignation and concern among the people.

As early as 1993, the government issued a directive with drastic measures aimed at preventing and dispelling these social vices. Improvements are, however, still slow. The administration at various levels must cooperate with mass and social organizations in reviewing and profoundly analyzing the movement to fight social vices in the past, draw on lessons of good works and failures, become familiar with the experiences of other countries in order to take practical and effective measures suitable to our country's situation.

#### IV. Develop our new advantages in diplomatic activities:

On the basis of the successes of the renovation process and taking into account our correct foreign policy, our positive and dynamic diplomatic activities have helped further create a favorable international environment for the cause of national construction and defense and for improving the position of Vietnam in the world arena as an active member of the trend toward peace, stability, and cooperation in this region and the world over.

From this forum, on behalf of the government and people of Vietnam, allow me to once again express my gratitude to the good will, the effective cooperation, and the valuable assistance given by the many countries and international organizations to Vietnam's renovation and development process. This assistance was clearly reflected at the recent Paris donors' conference.

I would like to avail myself of this opportunity to reassert that Vietnam always wants to befriend all countries in the world community in the struggle for peace, independence, and development. As for the government and people of the United States, we advocate closing the past and look toward the future, ready to establish normal relations on the basis of equality, mutual respect, and without any preconditions attached. Not only will this conform to the aspirations and interests of the two peoples but this will also be beneficial to peace, security, and stability in the region.

From the vivid reality of implementing our foreign affairs policy, we can confirm that, nowadays, in the international background of many complicated changes, although we have to deal with many challenges, but with the willpower of independence, sovereignty, and self-reliance; determination in the path of national development and our national characteristics; and with the banner of peace, cooperation, and development, we have opportunities to create and develop multifaceted relations with all nations and international organizations. This will constantly improve our country's reputation and position in the international community, thus actively serving the undertaking of construction and protection of our Vietnamese fatherland.

#### V. Enhancing government's management efficiency:

In 1993, the government has tried to concentrate its guidance in order to execute 10 major planned tasks. It has directly dealt with several urgent tasks and worked with many localities to outline development directions and to solve problems. These efforts, together with those of the entire party, people, and Army have led to socioeconomic achievements in the last year.

However, in order to enhance the government's management efficiency, there is much work to be done. The function of state management in the market economy requires that the government mechanism, first of all, the administration mechanism, must be capable and clean to perform its function as regulated by law. This is a very important part of the construction of the Vietnamese law-governed state of the people, by the people, and for the people. The government's management efficiency is only guaranteed and enhanced when its management is done in a concentrated and uniform manner and all manifestations of fragmentation and departmentalism and the evil practice of corruption must be eliminated to purify the government mechanism. The urgent requirement at present is that we must create all legal frameworks for all economic activities in the market mechanism. First of all, we have to strengthen the law-building work. We must combine the building and amending of already existing laws with the promulgation of basic laws, especially civil and business laws. This task requires the assignment of legal experts to study and compile in order to complete the law-building program as planned.

We must define the administrative authority on all levels, first of all, the legislative authority, to ensure the uniformity of all policies; improve discipline in implementing government regulations; and overcome fragmentation, arbitrariness, indiscipline, and the promulgation of legal documents that run counter to government regulations by ministries, departments, and people's committees.

In 1994, we should have plans to eliminate the management function of administration organs over economic enterprises. Then, on that basis, we can make ministries, government organs, and local administrative mechanisms smaller. We must consider this as a very important measure not only to reduce the bulky and bureaucratic government mechanism, but also to overcome departmentalism in different sectors and localities in the government management system.

At present, the administration procedure is too superfluous and complicated. It is feeding the practice of authoritarianism, extortion, and corruption by many cadres and officials when the people need to register something or apply for certain permission. It also creates obstacles and difficulties in work relations between different government offices. This situation causes difficulties and expenses for the public, and arouses indignation in society.



In 1994, the government will carry out reform of administrative procedures under the principle of both providing convenience to the public and safeguarding the state management of the government. The reform will, first, concentrate on areas that are having many negative activities, causing inconveniences to many people, and obstructing business activities.

Dear National Assembly deputies: Our nation and people have a tradition of steadfastness. We have proved our capacities in overcoming harsh challenges many times to survive and develop. Together with the National Assembly and the Vietnam Fatherland Front, the government will do its best to strengthen the all-people great unity block of all ethnics, religions, and people of all strata in the country and abroad. We will create a favorable environment and conditions for everybody to do their best to amass wealth for themselves and for the nation. We will prepare the necessary conditions for our people to enter the 21st century and to extricate our country from its situation as a poor developing country. With the wholeheartedness of the entire people to move along the party line, we are determined not to miss our chances and we will strive to implement the duties outlined by the National Assembly for 1994 to open a new period for the socioeconomic development in our entire country.

#### **Assembly Deputies Continue Talks on Report**

*BK0912135993 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 9 Dec 93*

[Report by unidentified radio correspondent on 9 December session of the Ninth National Assembly in Hanoi]

[Summary] "Dear friends: Today National Assembly deputies continued their group discussions about the government report on orientations for 1994-95 socioeconomic development and about the 1994 plan."

All deputies unanimously agreed with the government report that we must focus our efforts on carrying out economic development during the 1994-95 period in order to create premises for consolidating the country's social, economic, and political stability.

"Many deputies believe that during the 1994-95 period, we will have to continue to create a favorable environment for a commodity-based economic development."

Deputies from Haiphong and Quang Ninh Provinces held that to satisfactorily achieve the goal of economic development, "the government should continue to step up the renovation process with emphasis on ruling the state by law if we are to gradually do away with the present practice of a number of ministries and sectors of issuing rules and regulations at variance with the government's policy."

Many deputies said we should clearly determine the goals for investing in socioeconomic development for

mountain regions and areas inhabited by ethnic groups. Dealing with this issue, Comrade Nguyen Thanh Cao, deputy from Kon Tum Province, said:

[Begin recording] We should strive to build the infrastructure by upgrading a number of important roads such as Highway 14 linking Kon Tum with Quang Nam-Danang Province, Highway 24 linking Kon Tum with Quang Ngai Province, and Highway 40 linking Kon Tum with the Lao Province of Attapeu. We should also invest in building farmland irrigation works and electricity networks. [end recording]

Deputies from Ho Chi Minh City and Lao Cai, Yen Bai, and Son La Provinces said that "the state should pay more attention to the education and training sector" by providing good teachers with favorable treatment and increasing the budget for education and training.

As for the cultural and information issue, Mr. Doan Nhat Minh, deputy from Thanh Hoa Province, suggested that we raise the budget for cultural and information activities. He said:

[Begin recording] According to figures provided by the Ministry of Culture and Information, the amount of money earmarked for cultural and information activities from the general budget has become smaller and smaller. Therefore, I think that the government should not reduce this amount of money anymore and should instead fix an annual budget for these activities. [end recording]

Deputies from Lao Cai, Yen Bai, Lai Chau, and Son La Provinces felt that we should continue to build the all-people national defense and ensure public order and security, especially in sensitive areas such as the southwestern and northern borders, territorial seas, and off-shore islands. "With the northernmost provinces in particular, the state should use the central budget to build the border security belt and invest in providing military units with modern communications equipment."

"As for the fight against corruption and smuggling, all deputies emphatically spoke of the duties of law enforcement organs, saying that these organs should concentrate on investigating and taking stern actions against cases of corruption and smuggling."

Dear friends: According to the agenda, tomorrow the deputies will continue their group discussions on the government report on the orientations for socioeconomic development for the 1994-95 period and about the 1994 plan.

#### **Dec 93 TAP CHI QUOC PHONG TOAN DAN**

*BK0612075793 Hanoi Voice of Vietnam Network in Vietnamese 2330 GMT 5 Dec 93*

[Summary] To mark the all-people national defense day and the 49th founding anniversary of the Vietnam People's Army [VPA], 22 December 1944-22 December



1993, in this December issue, TAP CHI QUOC PHONG TOAN DAN carries many important articles as follows:

First, there is an article by General Doan Khue entitled: "Thoroughly Understand the All-People National Defense Concept and Step Up State Management Over National Defense Arrangements."

Appearing next are the following articles:

—An article by Lieutenant General Duong Thong entitled: "Encountering the Peaceful Evolution Strategy Is a Task of Primary Importance for the Defense of the Socialist Fatherland."

—An article by Lieut. Gen. Nguyen Thoi Bung entitled: "Foreign Relations in the Framework of the Renovation Process."

—An article by Doctor Ho De Toan, director general of the Vietnam Crude Oil and Gas General Corporation, entitled: "The Role of Oil and Gas in the Cause of National Construction and Defense."

Found in the "All-People National Defense" section are the following:

—An article by Hoang Van Sao, vice chairman of the Bac Thai Province people's committee, entitled: "Renovating the Contents of the All-People National Defense Education in Bac Thai Province."

—An article by Tuan Trung entitled: "National Defense Education in Colleges: Initial Results and Problems Which Still Need To Be Resolved."

Appearing in the "The Transition to Socialism in Vietnam: Study To Thoroughly Understand the Seventh Party Congress Resolution" section are the following:

—An article by Khong Doan Hoi of the Institute for the Research on Marxism-Leninism and Ho Chi Minh Thought entitled: "Can a Single Ruling Party System Compromise With the Multisectorial Economic System?"

—An article by Co Hoa Van, vice chairman of the National Assembly Nationalities Council, entitled: "The Problems Concerning Nationalities and the Application of the Party-Initiated Policy Toward Nationalities to the Cause of National Renovation and National Construction and Defense."

In the "New National Defense Concepts" section, the journal carries the following:

—An article by Ho Ngoc Hoi, deputy director of the Party Central Committee's Culture and Ideology Department, entitled: "Building the Vietnam People's Army on the Political Front in the New Situation."

—An article by Colonel Tran Duy Huong entitled: "Thinking About Ways To Improve the Quality of Party Members in the Armed Forces at Present."

—An article by Col. Nguyen Huu Quyen entitled: "Effect a Basic Change in the Policy Toward the Army in Keeping With the Commodity-Based Economy and the Market Mechanism."

In the "Foreign Military Information" section, the journal publishes an article by The Luc and Ho Chau of the Ho Chi Minh National Politics Institute entitled: "The Strategies Adopted by a Number of Major Countries in the Asia-Pacific Region in the Post-Cold War Era."

### **Textile, Garment Exports to EC in 1994 Previewed**

BK0812145193 Hanoi VNA in English 1242 GMT  
8 Dec 93

[Text] Hanoi VNA Dec. 8—Garment manufacturers in Vietnam now have their eyes fixed on new export markets, having rushed to register for next years quota for the EC.

Registration for export to the EC in 1994 exceeded between two to ten times the official quota under the trade agreement according to the Ministry of Trade and the Ministry of Light Industry.

The number of businesses engaged into production under the accord in 1994 has increased by one and half times compared with 1993. These companies include 132 state-run private businesses and joint-venture companies.

The quota allocation to each business in 1994 will be based on contracts that it has signed with EC partners, the Ministry of Trade and Ministry of Light Industry said.

The Ministry of Light Industry supervises the production of garments. It stipulates that companies not increase the production of limited quota garments. On the other hand, it encourages businesses to invest in new equipment to manufacture export goods to the EC and other foreign markets.

Under the trade agreement with the EC, in 1993 vietnam is due to export to the EC 151 categories, in which 45 have unlimited quota numbers. The remainders have limited quotas, which are 21,928 tonnes of products worth USD 450 million. The agreement also defines that from 1993 to 1997 the yearly quota of each item noted in the agreement will increase from 1.5 per cent to 2.5 per cent compared with that of previous year.



**Australia****Further on Rift in Relations With Malaysia****Trade Minister Cited**

*BK0812023793 Melbourne Radio Australia in English  
0100 GMT 8 Dec 93*

[Text] Federal Trade Minister Peter Cook, who visited Malaysia earlier this week, has told the Australian Broadcasting Corporation Australia has done all it can do to mend relations.

[Begin Cook recording] I certainly agree with what Gareth Evans said—a bit of cooling-off would not go astray here. But in the long term, I think there is basically adjustment being made in the expectations between the two countries, and I think Australia has done enough. We should now leave it to the Malaysians to work out what the next move is, and I hope that is a positive one of rebuilding the trade relationship. [end recording]

**Mahathir To Accept Keating's 'Regret'**

*BK0912022493 Melbourne Radio Australia in English  
0100 GMT 9 Dec 93*

[Text] The diplomatic row between Australia and Malaysia appears to be on the mend. Malaysia's prime minister, Dr. Mahathir, now says Australian Prime Minister Paul Keating's expression of regret is sufficient to end the row between the two countries, and he says he will accept it when it is conveyed to him by a reliable informant. Mr. Keating restated his regret at a function in Melbourne on Wednesday night.

At a news conference on Malaysia's Langkawi Island, Dr. Mahathir said it would be hair-splitting to demand an apology from Mr. Keating. Trevor Watson reports:

[Begin recording] [Watson] Australian journalists were pressing Dr. Mahathir over whether Paul Keating's reaffirmation of regret will end the row, only minutes after the prime minister had spoken in Melbourne.

[Mahathir] Yes. If it is an expression of regret, yes. But you are telling me; I don't know what is the content. The problem of making comment on something that is reported to you by report. [sentence as heard]

[Watson] On being told that regret had also been conveyed by Australia's foreign, trade, and defense ministers, Dr. Mahathir said he was not aware of their discussions with their Malaysian counterparts. When asked if cabinet would still consider a package of measures against Australia when it meets on Saturday, the Malaysian leader said it would depend on what happens next. [end recording]

**Evans Offers To Facilitate Bougainville Talks**

*BK0912071993 Melbourne Radio Australia in English  
0500 GMT 9 Dec 93*

[Text] Australia has repeated a long-standing offer to Papua New Guinea [PNG] to help arrange talks aimed at ending the conflict on Bougainville. The Australian foreign minister, Gareth Evans, has told Parliament he reaffirmed the offer at last week's ministerial forum in the PNG highlands town of Mount Hagen. Senator Evans said a significant outcome of the Mount Hagen forum was PNG's agreement to a request for an Australian parliamentary delegation to visit Bougainville. He intended to pursue the matter with Australian parliamentary offices.

**New Zealand****Labor Party's Tapsell Named Parliament Speaker**

*BK0912025493 Hong Kong AFP in English 0249 GMT  
9 Dec 93*

[Text] Wellington, Dec 9 (AFP)—The ruling National Party which had a parliamentary majority of one, doubled that here Thursday by inviting the opposition Labour Party to supply parliament's speaker. Normally the ruling party provides the speaker, but Prime Minister Jim Bolger named Labour MP Peter Tapsell to the post. An MP for one of the four designated Maori seats, he is the first Maori to hold the post.

Opposition leader Helen Clark said Tapsell's groundbreaking nomination as first Maori Speaker and first Speaker from the opposition ranks was "in tune with the times."

At elections last month New Zealand voted to switch from a first past the post voting system to a proportional system which is expected to mean coalition governments in future.

"The message from the electorate is that the parties should work more constructively together in parliament," Clark said. "That is more easily achieved when government members do not dominate all the key positions."

Appointment of a Labour MP as speaker will give the government a two-seat majority in parliament. Appointing a speaker from within its ranks would have reduced its number of seats to 49, equal to the combined opposition in the 99 seat parliament. Appointing Tapsell will take Labour's seats down to 44, against the government's 50 seats.